

**PROGRAM OPPORTUNITY NOTICE
GEOTHERMAL PROGRAM SOLICITATION
CALIFORNIA ENERGY COMMISSION**

UP TO \$7.5 MILLION AVAILABLE FOR FUNDING GEOTHERMAL PROJECTS

The California Energy Commission is opening a new funding opportunity through its Geothermal Program. There will be up to \$7.5 million available to fund geothermal research, development, demonstration, commercialization, environmental enhancement, mitigation or planning projects. Geothermal Program funding availability is based on estimated revenues and interest earnings coming from the Geothermal Resources Development Account (GRDA).

The information in this notice will help you to decide whether to apply for funding from the Geothermal Program for this solicitation. Full details are found in the April 2002 revised application manual which you can receive by returning the attached form, by sending a fax to (916) 653-6010, by calling (916) 654-5129, or by downloading from our web site at www.energy.ca.gov/geothermal.

Who may apply?

Private entities and local jurisdictions may apply for a GRDA funded award. Eligible private entities include individuals and organizations engaged in the exploration and development of geothermal energy for profit. Local jurisdictions include cities, counties, any unit of Indian government, school districts and special districts, including but not limited to, regional planning agencies and public utility districts, or any combination thereof formed for the joint exercise of any power. "Public utility districts" do not include any district that generates for sale more than 50 megawatts gross of electricity.

Other entities, such as universities, national laboratories, state and federal agencies, and not-for-profit organizations, must participate in this program only in partnership with an eligible local jurisdiction or eligible private for-profit entity. The eligible private entity or local jurisdiction must be the applicant.

What projects are eligible for funding?

Practically all aspects of geothermal research, resource development, demonstration, commercialization, planning, environmental enhancement and impact mitigation are eligible for funding. To qualify, your project must **directly** relate to geothermal development, geothermal planning, or the mitigation of the adverse impacts of the development of geothermal energy. Any private entity proposed project must provide tangible benefits, as determined by the Commission, to a local jurisdiction. **Projects must be located in California or be sponsored by a California-based company.** The Commission will not fund advertising, marketing or business plans; drilling bonds; or mitigation measures required for a permit. This program may co-fund

project capital costs when justified by the applicant as necessary to advance needed science or technology.

For this solicitation, projects that address the following areas will receive a preference in project scoring. These areas are 1) reducing the cost of geothermal electricity generation, 2) reducing the uncertainty and cost of enhanced geothermal systems, 3) add-on development for power production at existing geothermal facilities, and 4) cascaded geothermal systems.

How much financial assistance is available?

A total of up to \$7.5 million is available for project funding through this solicitation. For GRDA grants and loans, other than certain project category allocations, there are no predetermined limits on the funding that can be requested for a project. The Commission will fund at least one qualified project in, and allocate at least 25 percent of GRDA available funding to projects in each of the three project categories 1) Development, 2) Planning, or 3) Mitigation.

The Commission may allocate the remaining funds to any of the three project categories. Awards are limited by the applicant's match share and by the availability of GRDA funds after higher-ranking projects have been funded.

What type of funding assistance is available?

Funding assistance is available as a grant or a loan. You must request either a GRDA grant or loan in the pre-application and the final application. The Commission is interested in supporting higher-risk activities not readily financed but expected to produce economic and environmental benefits for California. A large percentage of the funding will likely be awarded in the form of grants.

However, if you expect your project to produce **near-term** revenues or energy cost savings, you must apply for a GRDA loan (e.g. projects that increase generating capacities of existing geothermal power plants through waste water injection, hybrids such as natural gas/geothermal). Near-term is defined as less than three years after completion of the project that is co-funded by the Commission through this solicitation.

For all loans, the interest rate is tied to a set of market indices and depends on the term of repayment selected by the applicant. Interest rates for local jurisdictions are tied to the average of the cities and counties 12-22 year general obligations listed in the **Merrill Lynch Municipal Bond** index as reported in the *Wall Street Journal*. Interest rates for private for-profit entities are tied to the **Prime Rate** (Prime) index as reported in the *Wall Street Journal*. The interest rate for any approved project would be based on the appropriate index in effect on the day the final applications are due to the Commission or the Pooled Money Investment Account (whichever is higher). Note: the Pooled Money Investment Account for December 2001 was 3.261 percent.

Loan Interest Rate Table

Repayment Term (Years)	Interest Rate (%) for Local Jurisdictions	Interest Rate (%) for Private for-profit Entities
0-4	ML Municipal Bond minus .375	Prime Rate plus .125
5-7	ML Municipal Bond minus .125	Prime Rate plus .625
8-12	ML Municipal Bond plus .375	Prime Rate plus 1.125
13+	ML Municipal Bond plus .625	Prime Rate plus 1.625

You can select the term of repayment and corresponding interest rate most appropriate for the proposed project. The interest rate will not change during the life of the project or the repayment period. The Energy Commission will generally establish a maximum repayment term of 15 years. You must provide sufficient collateral to secure all loans.

How much will the applicant need to contribute to the project?

A match contribution is required to participate in this Geothermal Solicitation. A match contribution is cash, equipment, and/or in-kind services provided by the applicant or other sources secured by the applicant toward completion of the awarded project. Staff time, laboratory space, equipment, and other grants, loans, or contracts can count toward the match contribution.

To qualify as a match contribution, these contributions must be 1) dedicated to the project, 2) based on documented current market values, and 3) depreciated or amortized over the project's life. If a piece of equipment is not solely dedicated to the project, the prorated value of the equipment by percentage of use for the project will count toward the match contribution. Match fund expenditures must occur within the grant or loan term.

Local jurisdictions must provide a match contribution of at least 20 percent of the overall project cost. Local jurisdictions located in a county that has received "County-of-Origin" funds from the state's GRDA in excess of \$50,000 in each of the previous three years must provide a match contribution of at least 50 percent of the total project cost.

Private For-Profit Entities must provide a match contribution of at least 50 percent of the overall project cost.

What are the application, award, and project start dates?

The schedule for this funding cycle is as follows (all dates in 2002):

Pre-applications due on or before:	4:00 p.m., May 20
Written comments on pre-applications mailed:	June 14 (Estimated Date)
Final applications due on or before:	4:00 p.m., July 22 (Estimated Date)
Notice of Proposed Awards:	September 16 (Estimated Date)
Commission Approval of Awards:	September 25 (Estimated Date)
Begin executing Agreements:	November (Estimated Date)

How do I get application materials?

The Commission invites you to contact us regarding this solicitation and the Geothermal Program. If you have access to the Internet, you may visit the Commission's web site at www.energy.ca.gov/geothermal. **At this web site you can learn more about this program and you will also be able to download the application manual and its attachments for this solicitation in a form that will allow you to complete the application on your computer.**

If you would like an application manual mailed to you, please complete the following form and mail or fax it to the indicated address.

Geothermal Program Application Manual Request Form

Yes! Send me a copy of the April 2002 Application Manual.

Name

Title

Company or Organization

Street Address

Mailing Address (if different from street address)

City (please do not abbreviate)

STATE

ZIP

(____) _____

Telephone Number (include area code) Ext.

(____) _____

Fax Number (include area code)

E-mail Address: _____

Mail or fax to: **Geothermal Program**
 California Energy Commission
 Research and Development Office
 1516 Ninth Street, MS-43
 Sacramento, CA 95814-5512

Phone: (916) 654-5129

Fax: (916) 653-6010

CALIFORNIA
ENERGY
COMMISSION

APPLICATION MANUAL FOR THE GEOTHERMAL PROGRAM SOLICITATION

MANUAL

APRIL 2002



Gray Davis, *Governor*

CALIFORNIA ENERGY COMMISSION

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We welcome your comments and suggestions for improving this manual at any time. If you have any questions or comments about these materials, write or call:

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1516 Ninth Street, MS -43
Sacramento, CA 95814-5512

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Overview

This is an application manual for a Geothermal Program Solicitation (Geothermal Solicitation). There will be up to \$7.5 million available to fund geothermal research, development, demonstration, commercialization, environmental enhancement, mitigation or planning projects. Geothermal Program funding availability is based on estimated revenues and interest earnings coming from the Geothermal Resources Development Account (GRDA).

The California Legislature established the Geothermal Program in 1980 under Public Resources Code sections 3800 and following. It created the GRDA as the source of funding. The funds for this account come from revenues paid to the United States government by geothermal developers for leases on federal land in California. Eligible private entities and local jurisdictions can qualify for assistance in geothermal research, development, demonstration, commercialization, planning, mitigation and environmental enhancement projects. There will be up to \$7.5 million of GRDA funds available for this solicitation. Detailed information about the Geothermal Program can be found on the Commission web site at www.energy.ca.gov/geothermal.

This manual provides answers to commonly asked questions about the Geothermal Solicitation and provides the application package for applying for a grant or a loan to conduct a geothermal project. Part 1 answers the commonly asked questions about the program; Part 2 includes the application, forms, and instructions for applying for funding.

Part 1: Commonly Asked Questions about the Geothermal Program

Introduction

This part answers the commonly asked questions about the Geothermal Solicitation to help you determine whether or not to apply for assistance. This part should also help you understand the award process.

The California Energy Commission has established funding partnerships with public and private entities to promote development of new geothermal resources and technologies. Financial assistance is provided in the form of a grant or a loan through the GRDA. A match contribution in cash, equipment, or services is required.

The Commission accepts applications for funding during two specific periods as announced in a Program Opportunity Notice and as posted on the Commission's Internet web site at www.energy.ca.gov/geothermal. Critical dates are also noted in this manual.

The following questions will help you decide whether to apply under this program. These questions will also help you understand the application and award process.

Who may apply?

Private entities and local jurisdictions may apply for a GRDA funded award. Eligible private entities include individuals and organizations engaged in the exploration and development of geothermal energy for profit. Local jurisdictions include cities; counties; any unit of Indian

government; school districts; and special districts, including but not limited to, regional planning agencies and public utility districts, or any combination thereof formed for the joint exercise of any power. "Public utility districts" do not include any district that generates for sale more than 50 megawatts gross of electricity.

Other entities, such as universities, national laboratories, state and federal agencies, and not-for-profit organizations, must participate in this program only in partnership with an eligible local jurisdiction or eligible private for-profit entity. The eligible private entity or local jurisdiction must be the applicant.

What projects are eligible for funding?

Practically all aspects of geothermal research, resource development, demonstration, commercialization, planning, environmental enhancement and impact mitigation are eligible for funding. To qualify, your project must **directly** relate to geothermal development, geothermal planning, or the mitigation of the adverse impacts of the development of geothermal energy. Any private entity proposed project must provide tangible benefits, as determined by the Commission, to a local jurisdiction. **Projects must be located in California or be sponsored by a California-based company.** The Commission will not fund advertising, marketing or business plans; drilling bonds; or mitigation measures required for a permit. This program may co-fund project capital costs when justified by the applicant as necessary to advance needed science or technology.

For this solicitation, projects that address the following areas will receive a preference in project scoring. These areas are: 1) reducing the cost of geothermal electricity generation, 2) reducing the uncertainty and cost of enhanced geothermal systems, 3) add-on development for power production at existing geothermal facilities, and 4) cascaded geothermal systems.

To which project category should the applicant apply?

Listed below are examples of the types of projects that qualify under each project category.

GRDA projects fall under three categories: resource development projects, planning projects and mitigation projects.

Resource Development Projects:

"Resource Development Project" means an eligible activity including research that assesses, develops, or converts a geothermal resource for direct use or electrical generation. Your application will be evaluated based on the criteria in Scoring Table 1. Keep these criteria in mind when selecting the program area. Examples include:

- Demonstrations or commercialization of geothermal technologies.
- Resource assessment (including, but not limited to geological, hydrological, geophysical, and geochemical).
- Evaluation, drilling, and testing of exploration, production, and injection wells.

- Electricity production.
- Development of direct-use projects including space heating/domestic water supply, aquaculture, and industrial process heat, etc.

Planning Projects:

“Planning Projects” means an eligible activity that regulates or guides the development and use of geothermal resources. Your application will be evaluated based on the criteria in Scoring Table 2. Keep these criteria in mind when selecting the program area. An example is the collection and analysis of environmental data.

Mitigation Projects:

“Mitigation Project” means an eligible activity that identifies the adverse environmental or public service impacts of geothermal energy development, or implements measures to reduce or eliminate those impacts. Your application will be evaluated based on the criteria in Scoring Table 3. Keep these criteria in mind when selecting the program area. Examples include:

- Identification and control of adverse impacts to water, air, wildlife, vegetation, viewshed, ground surface levels, and ambient noise levels;
- Environmental enhancement;
- Identification of social and economic impacts of geothermal development.

Attachment 1, *Public Resources Code*, includes a listing of projects that are statutorily eligible for funding consideration.

What type of funding assistance is available?

Funding assistance is available as a grant or a loan. You must request either a GRDA grant or loan in the pre-application and the final application. The Commission is interested in supporting higher-risk activities not readily financed but expected to produce economic and environmental benefits for California. A large percentage of the funding will likely be awarded in the form of grants.

However, if you expect your project to produce **near-term** revenues or energy cost savings, you must apply for a GRDA loan (e.g., projects that increase generating capacities of existing geothermal power plants through waste water injection, hybrids such as natural gas/geothermal). Near-term is defined as less than three years after completion of the project that is co-funded by the Commission through this solicitation.

Repayment of a GRDA loan with a private entity includes the principle and interest. Repayment of a project co-funded with a local jurisdiction is based on revenues and/or energy cost savings.

The Commission (with the agreement of the applicant) reserves the right to change the type of funding assistance, grant versus loan, if the Commission believes that the type being requested is not appropriate based on the project being proposed.

- **Revenue** means all economic benefit determined in accordance with generally accepted accounting principles and expressed in dollars.
- **Energy Cost Savings** means the difference between the baseline energy cost and the system operation and maintenance cost for each year over the life of the project's repayment period. At the discretion of the Commission, energy savings may be calculated on the whole or any part of the system(s), all or part of which are proposed to be developed, modified, or expanded through a co-funded agreement.
- **Baseline Energy Cost** means the cost of energy that would be incurred by the recipient during the repayment period if not for the installation of the system(s). This cost is derived by multiplying the annual energy use of the original system, as calculated in the energy audit (after installation of any conservation measures), by the price for that energy at the beginning of the repayment period. Baseline energy cost may vary for each year of the repayment period and may escalate according to the projections in the most recently adopted Energy Commission price forecast.
- **System Operation and Maintenance Cost** means the cost of labor for maintenance (existing staff or contractors hired by the recipient), equipment and consumables, incurred by the recipient to operate the system(s), all or part of which is proposed to be developed, modified, or expanded with this funding agreement. Operation and maintenance cost does not include interest expenses, depreciation expenses claimed by the recipient, or other payments made by the recipient to a contingency reserve fund or other such account set up for the long-term repair and maintenance of the system(s).

For all loans, the interest rate is tied to a set of market indices and depends on the term of repayment selected by the applicant. Interest rates for local jurisdictions are tied to the average of the cities and counties 12-22 year general obligations listed in the **Merrill Lynch Municipal Bond** index as reported in the *Wall Street Journal*. Interest rates for private for-profit entities are tied to the **Prime Rate** (Prime) index as reported in the *Wall Street Journal*. The interest rate for any approved project would be based on the appropriate index in effect on the day the final applications are due to the Commission or the Pooled Money Investment Account (whichever is higher). Note: the Pooled Money Investment Account for December 2001 was 3.261 percent.

Loan Interest Rate Table¹

Repayment Term (Years)	Interest Rate (%) for	Interest Rate (%) for
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¹The Energy Commission must approve this interest rate schedule each fiscal year.

	Local Jurisdictions	Private for-profit Entities
0-4	ML Municipal Bond minus .375	Prime Rate plus .125
5-7	ML Municipal Bond minus .125	Prime Rate plus .625
8-12	ML Municipal Bond plus .375	Prime Rate plus 1.125
13+	ML Municipal Bond plus .625	Prime Rate plus 1.625

You can select the term of repayment and corresponding interest rate most appropriate for the proposed project. The interest rate will not change during the life of the project or the repayment period. The Energy Commission will generally establish a maximum repayment term of 15 years. You must provide sufficient collateral to secure all loans.

How much will the applicant need to contribute to the project?

A match contribution is required to participate in this Geothermal Solicitation. A match contribution is cash, equipment, and/or in-kind services provided by the applicant or other sources secured by the applicant toward completion of the awarded project. Staff time, laboratory space, equipment, and other grants, loans, or contracts can count toward the match contribution.

To qualify as a match contribution, these contributions must be: 1) dedicated to the project, 2) based on documented current market values, and 3) depreciated or amortized over the project's life. If a piece of equipment is not solely dedicated to the project, the prorated value of the equipment by percentage of use for the project will count toward the match contribution. Match fund expenditures must occur within the grant or loan term.

Local Jurisdictions must provide a match contribution of at least 20 percent of the overall project cost. Local jurisdictions located in a county that has received "County-of-Origin" funds from the state's Geothermal Resources Development Account in excess of \$50,000 in each of the previous three years must provide a match contribution of at least 50 percent of the total project cost.

Private For-Profit Entities must provide a match contribution of at least 50 percent of the overall project cost.

How much financial assistance is available?

A total of up to \$7.5 million is available for project funding through this solicitation. For GRDA grants and loans, other than certain project category allocations, there are no predetermined limits on the funding that can be requested for a project. The Commission will fund at least one qualified project in, and allocate at least 25 percent of GRDA available funding to projects in each of the three project categories 1) Development, 2) Planning, and 3) Mitigation.

The Commission may allocate the remaining funds to any of the three project categories. Awards are limited by the applicant's match share and by the availability of GRDA funds after higher-ranking projects have been funded.

How and when will funds be distributed?

Commission funds are paid on a **reimbursement basis**. Payment will be made approximately **45 days** after the Commission receives a properly submitted, undisputed invoice. It is the Commission's policy to retain 10 percent of the total Commission award. The determination on how retention is withheld is at the discretion of the Commission Program Manager. These retained funds will be released when the Commission Project Manager (with the approval of the Commission Program Manager) is satisfied that the terms of the funding agreement have been fulfilled.

How much paperwork will there be if the project is funded?

All funding recipients must submit written quarterly progress reports, reimbursement requests, and a final report. Some projects also may require technical reports and other documentation of the success or the actual benefits produced by the project.

How is confidential information treated?

Commission staff can work with you to safeguard confidential records. However, you should not submit confidential information unless it is absolutely necessary. Income tax returns, financial statements and credit reports will remain confidential. If you need to submit other confidential information to support your application, **stamp the documents as "CONFIDENTIAL"**. If your application is not approved, Commission staff will destroy copies of your application and confidential information. If your application is approved, confidential information will remain confidential. Commission staff will retain the original and one copy of the approved final applications and confidential information for the life of the project or as deemed by Commission Legal Counsel. Commission staff will destroy other final application copies. For additional information, see **Attachment 2** for the *Confidentiality Information Document for the Geothermal Program*, dated April 2002.

What are the application, award, and project start dates?

The schedule for this funding cycle is as follows (all dates in 2002):

Pre-applications due on or before:	4:00 p.m., May 20
Written comments on pre-applications mailed:	June 14 (Estimated Date)
Final applications due on or before:	4:00 p.m., July 22 (Estimated Date)
Notice of Proposed Awards:	September 16 (Estimated Date)
Commission Approval of Awards:	September 25 (Estimated Date)
Begin executing Agreements:	November (Estimated Date)

We encourage you to submit your Pre-application early to enable staff to return comments to you on the Pre-application as quickly as possible.

How do I apply?

All applicants must submit a pre-application. Only those applicants who meet the minimum eligibility criteria and who have submitted a pre-application by the deadline may submit a final application. Please examine the review procedures and evaluation criteria when preparing applications. Multiple projects cannot be proposed in a single application. Use the attached application forms to ensure that you provide the needed information. Instructions and helpful “tips” are provided in each part of the application package.

What is the pre-application?

Applicants must submit a pre-application to participate in this funding opportunity. The Commission will review each pre-application submitted by the deadline published in the program opportunity notice and noted above. Submitting your pre-application early will enable staff to return comments to you on the pre-application as quickly as possible. The information required is described in Sections “A through F” of this manual. The pre-application results in an informal review to determine the applicant's eligibility and make a preliminary evaluation of the proposed project application. Commission staff will provide written comments on the pre-application to each applicant.

The pre-application must include the following:

Section A: General Information
Section B: Project Description, Goals, and Actions
Section C: Project Benefits to California
Section D: Project Tasks and Schedule
Section E: Project Management Structure and Personnel
Section F: Budget

Applicants must reference any necessary supporting documents in the appropriate application section **and** append these documents immediately behind the applicable section of the pre-application.

Send or deliver one signed original (signature in ink and clearly marked “original”) and ten (10) copies of your pre-application and all supporting documents to the address below. Applications must be received on or before May 20, 2002 at 4:00 p.m. at the following address:

Geothermal Program
California Energy Commission
Grants and Loans Office

Pre-applications that have not been received at the above listed location by May 20, 2002 at 4:00 p.m. will be rejected. One (1) original and ten (10) copies of your pre-application must be submitted by the due date. **Failure to provide the required original and ten copies of your pre-application may be grounds for disqualification.** Pre-applications must contain Sections “A through F” as listed above. Submitted pre-applications that do not contain Sections “A through F” may be rejected. **Incomplete packages may be rejected. No faxed or e-mailed copies will be accepted.**

How is the pre-application processed?

Complete pre-application. Commission staff will initially evaluate your pre-application for completeness and to ensure that your proposed project is eligible. Complete pre-applications must contain Sections “A through F” as listed above. We will return incomplete or ineligible applications with a letter of explanation.

Commission staff prepares written comment letters to the pre-applicants based on the pre-application reviews. The purpose of the comment letter is to improve the applicant’s opportunity for funding. Applicants should address Commission staff comments and recommendations in the final application.

What is the final application?

The Commission will only accept official final applications from qualified pre-applicants.

The final application is the official submittal to the Commission that will be formally evaluated and scored. Include all information necessary to adequately review the proposal, including all information requested in the pre-application comment letter to you. **Do not incorporate by reference information contained in the pre-application or in other materials.** The evaluation of the final application will be the basis for approving or denying funds for the proposed project.

The final application must include the following:

- Section A: General Information
- Section B: Project Description, Goals, and Actions
- Section C: Project Benefits to California
- Section D: Project Tasks and Schedule
- Section E: Project Management Structure and Personnel
- Section F: Budget
- Section G: Financial (Private Entities Only)
- Section H: Certification, Authorization, and Resolution

Applicants must reference any necessary supporting documents in the appropriate application section and append these documents immediately behind the applicable section of the final application.

Send or deliver one signed original (signature in ink and clearly marked “original”) and ten (10) copies of your final application and all supporting documents, and one electronic copy on a 3.5” disk or zip disk (saved in Microsoft Word, Version 97) to the address below. Applications must be received on or before July 22, 2002 at 4:00 p.m. at the following address:

Geothermal Program
California Energy Commission
Grants and Loans Office
1516 9th Street, MS-1
Sacramento, CA 95814-5512

Final Applications that have not been received at the above listed location by July 22, 2002 at 4:00 p.m. will be rejected. One (1) original, ten (10) copies and one (1) electronic copy on disk of your final application must be submitted by the due date. **Failure to provide the required original, ten copies and one electronic copy on disk of your final application may be grounds for disqualification.** Final applications must contain Sections “A through F” and Section H as listed above. Private entities must also submit Section G. Submitted final applications that do not contain Sections “A through F” (plus Section G for private entities) may be rejected. Section H requires a certification and authorization as part of the final application. The resolution may be submitted at a later date, but must be provided prior to the execution of a funding agreement. **Incomplete packages may be rejected. No faxed or e-mailed copies of the final application will be accepted.**

How is the final application processed?

Final applications will be processed in the following phases:

- 1. Complete Final Application.** Commission staff will initially evaluate your final application for completeness. Commission staff will return incomplete applications with a letter of explanation.

If a demonstrated effort to complete all final application sections is ascertained from the information provided, the application will be permitted to proceed; however, the applicant may be contacted to provide omitted supporting information. To be considered, the requested information must be submitted promptly, prior to commencement of the final application review.

- 2. Scoring.** A Technical Advisory Committee using the scoring criteria shown below in Scoring Tables 1, 2, or 3 will evaluate and score qualifying final applications. It is the applicant’s responsibility to declare in the application which category the proposed project should be

scored. Applicants should choose this category carefully as the applicant cannot change the category after the final application due date. Applicants should fully describe how their project would manifest the qualities listed as scoring criteria for the declared project category. Applicants should also fully describe how their project might address the geothermal problems, which are eligible to receive up to 30 points under the “Overriding Issues” scoring category. Private entities must pass a credit review and demonstrate sufficient financial strength to manage the project.

Projects eligible to receive up to 30 “Overriding Issues” points include, but are not limited to:

- a) Research, Development and Demonstration (RD&D) projects that lower the life-cycle cost of geothermal electricity generation including but not limited to:
 - Improving the efficiency and reducing the cost of resource exploration and assessment, permeability detection, mapping and well siting, resource drilling and well completion, power plant design and construction, environmental mitigation, reservoir monitoring, or power plant surface processing facilities.
 - Creating value-added products and revenue streams from geothermal power plants.
 - Reducing operation and maintenance costs of wells (i.e., production and injection) and power plants.
- b) RD&D projects that lower the cost of enhanced geothermal systems by:
 - Demonstrating and lowering the cost of extracting energy from resources of progressively lower permeability and/or fluid content or from lower temperature resources;
 - Investigating the extraction of fluids at higher energy densities (up to and including supercritical);
 - Using unproductive portions (low-permeability or fluid-depleted zones) of operating hydrothermal reservoirs as test beds for enhanced geothermal systems.
 - Investigating the potential of increasing generating capacities of existing geothermal power plants through wastewater injection;
 - Assessing high-temperature resources suitable for development as enhanced geothermal systems.
- c) Projects that add-on to existing geothermal facilities, and thereby increasing the capacity, including but not limited to:
 - Improving dispatchability of geothermal power plants.
 - Flash/Binary hybrid configurations.
 - Natural gas/geothermal hybrid configurations.
 - Hybrid configuration of water-cooled and air-cooled cooling towers.

These existing facilities shall have the following characteristics:

- Sufficient transmission and distribution capacity to allow additional capacity.
- Existing infrastructure to lower costs of further development.
- Lower costs, lower risk exploration attributes (shallower, known resources, etc.).

- d) Projects such as cascaded geothermal systems that take advantage of waste heat from new or existing facilities for additional electricity generation or direct use applications, including but not limited to:
- Hybrids configuration mentioned in (3) above.
 - Power generation and direct use applications.

3. **Scoring Criteria.** The following are scoring tables for GRDA development, planning, and mitigation projects. Please see Attachments 3.1, 3.2, 3.3 for *TAC Scoring Forms*, which provide detailed scoring criteria.

**SCORING TABLE 1:
DEVELOPMENT PROJECTS**

SCORING CRITERIA	120 ALLOTTED POINTS
Economic and Employment Benefits	15 points
Demonstration Value	15 points
Payback and Cost Effectiveness	15 points
Proven Extent of the Resource	15 points
Likelihood of Success	15 points
Match Contribution	15 points
Overriding Issues	30 points

SCORING TABLE 2: PLANNING PROJECTS

SCORING CRITERIA	120 ALLOTTED POINTS
Demonstrated Need	15 points
Stimulation of Geothermal Energy Development	15 points
Proven Extent of the Resource	15 points
Implementation	15 points
Public Involvement	15 points
Match Contribution	15 points
Overriding Issues	30 points

SCORING TABLE 3: MITIGATION PROJECTS

SCORING CRITERIA	120 ALLOTTED POINTS
Documented Impact	15 points
Demonstrated Need	15 points
Availability of Alternatives to Mitigate the Impact	15 points
Timeliness	15 points
Likelihood of Success	15 points
Match Contribution	15 points
Overriding Issues	30 points

Final scores will be the average of the scores awarded by the members of the Technical Advisory Committee (TAC). For an application to qualify for funding, **the average score must be a minimum of 80 out of 120 possible points.**

Applicant interviews with the TAC are an optional part of the final application process and will be scheduled by Commission staff as needed. The purpose of the interview is for final applicants to make a brief presentation of their project to TAC and answer questions.

- 4. Modifications.** With approval from the applicant, the TAC may modify the application's work statement, schedule, product description, or budget, but may not change the intent of the proposed project. Modifications may be made to:

- bring the costs of the project within the bounds of past and current projects of similar nature and extent;
- avoid duplication of work;
- divide the project into logical phases;
- reduce administrative requirements; and/or
- include tasks necessary for project success

If such modifications are made, the TAC will re-score the application without requiring a re-submittal.

- 5. Commission Recommendation.** The Commission's RD&D Committee will consider all applications receiving a passing score from the Technical Advisory Committee. The RD&D Committee will recommend proposals for funding to the full Commission. The Commission

sends notices of approved projects to the Department of Finance, the Office of the Legislative Analyst, and the Joint Legislative Budget Committee for a 30-day review and comment period prior to execution of agreements.

Commission staff will post the ranking by the RD&D Committee of successful final applicants on the Commission's Geothermal Program web site on or about **September 16, 2002** at www.energy.ca.gov/geothermal.

Unsuccessful applicants may request a debriefing, provided that a written request is submitted within 30 days of the date of posting the ranking on the Commission's website.

- 6. Destruction of Applications.** Commission staff will destroy copies of applications and confidential information of all applications that are not approved after debriefings for final applicants are complete. Commission staff will retain the original and one copy of the approved final applications and confidential information for the life of the project or as deemed by Commission Legal Counsel. Commission staff will destroy other final application copies.
- 7. Funding Agreement.** After all approvals are obtained, a funding agreement (see **Attachment 4** for *GRDA Terms and Conditions*) will be developed by Commission staff for both the funding recipient and the Commission to sign. This agreement defines the work to be completed, the schedule, the budget, and the rights and obligations of the applicant and the Commission.

When can project work begin?

Generally, project work cannot begin until both the successful applicant and the Commission have signed the funding agreement. If the recipient must begin work prior to signing the funding agreement, the Energy Commission Project Manager may allow work to begin, but only after the Commission Business meeting date at which the project was approved. Requests to incur pre-award costs must be requested in writing by the recipient and authorization to begin work prior to funding agreement execution must be given in writing by the Commission Project Manager and prior to the recipient incurring expenditures in which the recipient will request Commission reimbursement.

Can this solicitation be modified or cancelled?

The Commission or its Geothermal Program reserves the right to do any of the following:

- Cancel the Program Opportunity Notice.
- Modify the Program Opportunity Notice and/or this Application Manual.
- Reject any or all applications received in response to the Program Opportunity Notice.

Part 2: The Application

(Includes instructions and forms for both the Pre-application and the Final Application)

Introduction to the Application

The first portion of this Application Manual explains the processes for applying to the California Energy Commission's Geothermal Solicitation and provides useful information. Please familiarize yourself with this information before completing this application.

The pre-application consists of Sections "A through F". The final application consists of Sections "A through H". Each Section comprises a form for you to complete and/or information to be provided. Each Section describes the information you need to provide and, where appropriate, "tips" to assist you in drafting your application. These tips are designed to give you insight into what types of information the Technical Advisory Committee uses to evaluate and score your application. Submit all application Sections in correct sequence with supporting information following immediately behind the appropriate Section. Provide clear and complete narratives and other documentation to enable efficient processing of your application.

To facilitate application preparation, Microsoft Word files are available for application sections that request information in a particular format. These sections are: Section A; Section D (Exhibit 1); Section F (Exhibits 2.1 and 2.2); Section G; and Section H. **These files can be downloaded from the Commission's Internet web site for contracts and funding opportunities at www.energy.ca.gov/geothermal.** Upon request, staff can e-mail the application information or send a 3.5" floppy disk containing these files to you.

Application Checklist

Use this checklist to ensure that you have completed all required sections.

Pre-application:

- ___ Section A: General Information (all applicants)
- ___ Section B: Project Description Goals and Actions (all applicants)
- ___ Section C: Project Benefits to California (all applicants)
- ___ Section D: Project Tasks and Schedule/*Exhibit 1* (all applicants)
- ___ Section E: Project Management Structure and Personnel (all applicants)
- ___ Section F: Budget/*Exhibits 2.1 and 2.2* (all applicants)

Final Application:

- ___ Section A: General Information (all applicants)
- ___ Section B: Project Description Goals and Actions (all applicants)
- ___ Section C: Project Benefits to California (all applicants)
- ___ Section D: Project Tasks and Schedule/*Exhibit 1* (all applicants)
- ___ Section E: Project Management Structure and Personnel (all applicants)
- ___ Section F: Budget/*Exhibits 2.1 and 2.2* (all applicants)
- ___ Section G: Financial (private entities only)
- ___ Section H: Certification, Authorization, and Resolution
 - ___ Certification/*Exhibit 3* (all applicants)
 - ___ Resolution A (for all local jurisdictions)/*Exhibit 4.1*
 - ___ Authorizing letter (for all private entities)
 - ___ Permit (for private entities needing a permit)
 - ___ Resolution B (for private entities not needing a permit)/*Exhibit 4.2*

Section A: General Information

ALL APPLICANTS must complete Section A for both the pre-application and the final application. Section A provides a brief single-page overview of your project. This section also provides the basic administrative information to facilitate communications with you.

Application Date: _____

Request Funding as:

____ GRDA Grant

____ GRDA Loan

Project Category:

____ GRDA Resource Development

____ GRDA Geothermal Planning

____ GRDA Mitigation

The Commission (with the agreement of the applicant) reserves the right to change the type of funding assistance (grant versus loan) or project category if the Commission believes that the funding type being requested or the stated category is not appropriate based on the project being proposed.

Applicant is (check one):

____ Public Entity (*not* in "County of Origin")

____ Private For-Profit Company

____ Public Entity (within a "County of Origin")

____ Private Individual

____ Public/Private Partnership

____ Other

If County of Origin, list County: _____

Geothermal Resources Development Account funds Received:

2001: _____ 2000: _____ 1999: _____

Applicant (Company Name) _____

Project Title _____

Mail Address _____

(City)

(County)

(State)

(Zip Code)

E-mail Address _____

Project Manager _____ Title _____ Telephone Number () _____

Address _____

Project Director _____ Title _____ Telephone Number () _____

Address _____

Budget Officer _____ Title _____ Telephone Number () _____

Address _____

Number of Months Required to Complete Project (**Maximum of 36 months**):

Energy Commission Funds Requested: \$_____ = _____% of Total Project Budget

Match Contribution by Applicant:² \$_____ = _____% of Total Project Budget

Source(s) of Match Funds: _____

Total Project Budget \$_____

² Minimum match contributions are: 50% for private entities; 50% for public entities in a "County of Origin" that has received more than \$50,000 in GRDA funds in each of the previous three years; and 20% for other public entities. Funding from other entities affiliated with the project can be counted toward match contribution.

Abstract of the Project (one paragraph):

Section B: Project Description, Goals, and Actions

ALL APPLICANTS must complete Section B for both the pre-application and the final application. In Section B describe your project, explain the purpose or objective of the proposed project, elaborate specific project goals, and specify the actions you intend to take to reach these goals. The narrative should include well thought out and quantifiable goals that follow one another in a logical sequence and lead to project completion. Each goal should be followed by a description of discrete actions in a logical sequence which, when taken collectively, will cause each specific goal to be attained. Applicants whose projects are expected to result in energy cost savings and/or generate revenues must complete a cash-flow analysis. These projections must demonstrate the economic and financial viability of your project.

Mark your project category:

___ **Resource Development Projects:** Undertaking development and demonstration projects relating to geothermal resource assessment and exploration, and direct-use and electric generation technology, including undertaking projects demonstrating the technical and economic feasibility of geothermal direct heat and electrical generation applications.

___ **Geothermal Planning Projects:** Local and regional planning and policy development and implementation necessary for compliance with programs required by local, state, or federal laws and regulations, including preparation or revision of geothermal resource elements, or geothermal components of energy elements, for inclusion in the local general plan, zoning and other ordinances, and related planning and environmental documents.

___ **Mitigation Projects:** Identification of feasible measures that will mitigate the adverse impacts of the development of geothermal resources, environmental enhancement, and the adoption of ordinances, regulations, and guidelines to implement those measures, including:

- Collecting baseline data and conducting environmental monitoring.
- Administrative costs incurred by the local jurisdiction that is attributable to the development or production of geothermal resources.
- Monitoring and inspecting geothermal facilities and related activities to assure compliance with applicable laws, regulations, and ordinances.
- Identifying, researching, and implementing feasible measures that will mitigate the adverse impacts of that development or production.
- Planning, constructing, providing, operating, and maintaining those public services and facilities that are necessitated by and result from the development or production.
- Undertaking projects for the enhancement, restoration, or preservation of natural resources, including, but not limited to, water development, water quality improvement, fisheries enhancement, and park and recreation facilities and areas.

In a narrative format, your application should:

1. Provide a description on how your project addresses the appropriate scoring criteria found in Tables 1, 2, or 3.
2. Provide a detailed description of your project.
 - Describe the purpose of the proposed project.
 - Describe the need for the project.
 - Describe the major goals and actions to complete the project as well as the measurement and analysis you will complete to demonstrate project success.
 - Describe related activities occurring elsewhere.
 - Describe the status of California Environmental Quality Act (CEQA) compliance.
 - If appropriate, include a detailed schematic that includes mass and energy balances, component specifications for the system, a market assessment, and a business plan.
 - Include technical and economic feasibility studies as attachments that were prepared for the project.
 - For resource development projects that will directly result in revenues and/or energy cost savings, you must provide information that supports project feasibility. In your final application narrative, include at least:
 - a) A summary of conclusions about the proposed project;
 - b) A geothermal project description;
 - c) If known, a discussion of the geothermal resource quality and availability, and note published information on fluid samples, temperature, and chemistry; and
 - A schematic drawing including at least well location(s), distribution piping, structures, and major equipment and controls.
 - For loans, applicants whose projects are expected to result in energy cost savings and/or will generate revenues must provide a cash-flow analysis. On a year-by-year basis, this analysis should include but not necessarily be limited to: 1) capital needs to augment cash on hand and differentiate between equity and borrowed capital; 2) fixed and variable expenses; 3) estimated and highlighted revenues or energy cost savings; 4) interest rates for project funds from sources other than the Commission; 5) depreciation type and rate; 6) project duration; 7) units sold and price(s) per unit; and 8) calculated levelized cost and rates of return. State other assumptions used in creating cash-flow projections.
 - For those applicants requesting a loan, you must provide balance sheets and income statements and resulting comparative cash flows for the full term of the project co-funded by the Commission **and** also for the first five years of the repayment period.
3. Attach an explanation of why you need Energy Commission funding and describe other funding sources you have applied for or considered applying for this project.

Tips for completing Section B. Does your application:

- Describe a project that is directly related to geothermal energy?
- Quantify realistic goals and actions including but not limited to cost and performance? State specific, measurable, and appropriate actions that will achieve each stated goal?

- If cash-flow estimates are applicable to the project, are present revenues and/or energy cost savings and all assumptions used in estimates included? Do the estimates use reasonable and commonly accepted assumptions as for other projects of this type?

Section C: Project Benefits to California

ALL APPLICANTS must complete Section C for both the pre-application and the final application. Section C provides a detailed discussion of the benefits of your project for the local community and California. Your application should fully discuss short- and long-term benefits to the local community and the state. Discuss the merits of your project relative to the scoring criteria discussed in scoring tables 1, 2 and 3 of the manual. Applicants should fully describe how their project might address the geothermal problems eligible to receive up to 30 points under the “Overriding Issues” scoring category.

As before, your application should use a narrative format to address the appropriate scoring criteria found in Table 1,2, or 3 and describe and quantify all project benefits, including whether your project will:

- Provide tangible benefits to the local community by mitigating negative impacts to air and water quality, ambient noise levels, wildlife, vegetation, and viewshed esthetics or improve public or employee health and safety.
- Provide tangible economic benefits by: 1) improving job opportunities, tax revenues, or other economic factors; and/or 2) stimulating small business competition (particularly in alternative energy development).
- Promote geothermal energy development or demonstration in California by creating a commercial product or process that will save energy or money or is a new way of using geothermal energy.
- Describe the anticipated effect of your project on geothermal energy development in the local geographical area and on California as a whole.
- Reduce the use of non-renewable energy resources by: 1) substituting geothermal for non-renewable energy resources; 2) increasing efficiency of geothermal energy use; and/or 3) shifting or leveling electricity loads to enable more efficient use of existing power plants and resources.
- Identify and describe all assumptions used to estimate benefits in the application.

Tips for completing Section C. Does your application:

- Identify and quantify benefits specific to California?
- Describe the anticipated effect of your project on geothermal energy development in the local geographical area and on California as a whole?
- Help remove technical, economic, environmental, and/or institutional barriers to geothermal energy use?
- Substantiate estimates of project-generated economic benefits and differentiate between short-term (e.g., construction) and long-term jobs created by the project?

Section D: Project Tasks and Schedule

ALL APPLICANTS must complete Section D for the pre-application and the final application. Section D describes each project task, resulting products, the schedule for each task, and key personnel who are responsible for task completion. This task description is the basis for a work statement that will appear in the funding agreement between successful applicants and the Commission.

Your application should describe each project task in numeric sequence. Major tasks should be divided into subtasks. You should include an administrative task for preparing required quarterly progress reports and the final administrative report. Each task description should have sufficient detail to explain the work to a lay reader and include the following (See **Exhibit 1** for the **Work Statement Model**):

- Task number.
- Task name and description (what you will do and how you will do it).
- When tasks will be completed and reported to the Commission (indicated by number of months counted from signing of funding agreement).
- Major products that will result from the task (test plan, blueprints, data, well completion, cascaded geothermal systems, etc.).
- Allocation of personnel and subcontractors assigned to the task.
- Critical project reviews. Critical project reviews are meetings between the recipient, the Commission Project Manager and other individuals selected by the Commission Project Manager to provide objective, technical support to the Commission. The purpose of these meetings is to discuss the status of the project and its progress toward achieving its goals and objectives. These meetings should occur after key tasks and may take place at the Commission offices in Sacramento or at another reasonable location determined by the Commission Project Manager.

The following **Work Statement Model (Exhibit 1)** presents pre- and post-project tasks, where technical task and schedule information is needed, and a format for the work statement. Information that must be added by the applicant is denoted in *italics* and parentheses (e.g., *<add information>*).

Tips for completing Section D. Does your application:

- Show how the task objectives will effectively accomplish the stated goals?
- Reasonably budget project resources with respect to task sequence, task difficulty, and the use of labor, equipment, and facilities?
- Include technology transfer activities to help others use project results?

Exhibit 1

WORK STATEMENT MODEL

OVERALL PROJECT GOALS

<List the overall goals of the project>

TECHNICAL AND ECONOMIC PERFORMANCE OBJECTIVES

<If appropriate, list the technical and performance objectives for the project>

PROJECT START-UP TASKS

Task 1.1 Attend Kick Off Meeting

The recipient shall attend a “kick off” meeting with the Commission Project Manager and the Grants and Loans Analyst to review:

1. The Commission's expectations for accomplishing tasks described in the Work Statement
2. The administrative requirements in the Terms and Conditions of the funding agreement (invoicing, prior approvals, data disclosure limitations, progress reporting format and content, etc.)
3. The Commission's roles and responsibilities.

The Commission Project Manager shall designate the location of this meeting.

Product Description: N/A

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: N/A

Task 1.2 Document Matching Funds

The recipient shall provide documentation of match fund commitments to the Commission Project Manager. Before any Geothermal Resources Development Account funds under this funding agreement are disbursed, the recipient must receive written approval from the Commission Project Manager.

The recipient shall provide the following information about the match funding to be used to conduct this project:

1. Amount and source of each **cash** match funding, including a contact name, address and telephone number.
2. Description, documented market or book value, and source of each in-kind contribution, including a contact name, address and telephone number. If the in-kind contribution is equipment or other personal property, or real property, the recipient shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.
3. Written commitment from each source of cash match funding or in-kind contributions that these funds or contributions have been secured or will be secured prior to the date(s) when the funds or in-kind contributions are required for project expenditures.

The recipient need not resubmit this information if it was provided in the recipient's application and the information submitted is still valid. The recipient, however, shall assist the Commission Project Manager in locating this proposal information, upon request.

Product Description: Documentation of match share

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

Task 1.3 Identify Required Permits

Before any costs are incurred for which state-fund reimbursement will be requested under this funding agreement, the recipient shall prepare and submit to the Commission Project Manager a list of all permits required for construction and/or operation of equipment or the project facility, the name, address and telephone number of the permitting jurisdictions or lead agencies, and the schedule the recipient will follow in applying for and obtaining these permits. If permits are not required to conduct this project, the recipient shall state this finding in writing to the Commission Project Manager.

Product Description: List of permits and schedule

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

Task 1.4 Obtain Required Permits

The recipient shall submit written certification that the recipient has received all necessary and required permits to the Commission Project Manager, including California Environmental Quality Act compliance (CEQA) to construct, operate, or test the proposed equipment or facility as soon as they are received.

Product Description: Written certification

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

TECHNICAL TASKS

Critical Project Reviews

The Commission will conduct critical project reviews at the conclusion of the following tasks:

<List of project review points. These are logical decision points to assess whether continued work on the project is justified>

Critical project reviews are meetings between the recipient, the Commission Project Manager, the Commission Program Manager, and other individuals selected by the Commission Project Manager to provide objective, technical support to the Commission. The purpose of these meetings is to discuss the status of the project and its progress toward achieving its goals and objectives. These meetings may take place at the Commission offices in Sacramento or at another reasonable location determined by the Commission Project Manager.

Prior to this critical project review meeting, the recipient shall provide the task product(s) to the Commission Project Manager sufficiently in advance to allow the Project Manager's review of the product document(s) before the review meeting. If not already defined in the Work Statement, the Commission Project Manager shall specify the contents of the deliverable product(s).

At the critical project review meeting, the recipient shall present the required technical information and participate in a discussion about the project with the Commission Project Manager and other meeting attendees, if any.

Following that meeting, the Commission Project Manager will determine whether the Recipient is complying satisfactorily with the Work Statement and whether the project is demonstrating sufficient progress toward achieving its goals and objectives to warrant continued financial support for the project. If the Commission Project Manager concludes that satisfactory progress is *not* being made, this conclusion will be referred to the Commission's Research, Development and Demonstration Policy Committee for its concurrence. As an outcome of each critical project review, the Commission Project Manager will provide a written response to the Recipient indicating his or her conclusions about the project to date. If appropriate, a written response from the Commission's Grant Officer may direct the Recipient to not proceed with a specific task or to stop work.

Technical Task Descriptions

The recipient will perform the following technical tasks:

<List the tasks and, if appropriate, subtasks in numerical sequence>

Task 2.1 <Title>

<Describe the purpose and the actions to be taken under the task>

Product Description: *<list of products from the tasks>*

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

Subtask 2.1.1 <Title>

<Describe the purpose and the actions to be taken under the task>

Product Description: *<list of products from the tasks>*

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

REPORTING TASKS

The recipient shall adhere to all Report Standards that appear in the funding agreement.

Task 3.1 Quarterly Progress Reports

The recipient shall prepare **written** Quarterly Progress Reports and submit them to the Commission Project Manager, starting after the funding agreement approval date and shall continue each following quarter until the Final Report has been accepted by the Commission Project Manager. The **GRDA Terms and Conditions (See Attachment 4)** provide the requirements for the Quarterly Progress Reports.

Product Description: quarterly reports

Due Date: quarterly *<specific due dates>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

Task 3.2 Final Report

The Final Report shall be a public document. If the recipient has obtained confidential status and will be preparing a confidential version of the final report as well, the recipient shall perform the following tasks for both the public and confidential versions of the Final Report.

Subtask 3.2.1 Final Report Outline

Recipient shall prepare and submit to the Commission Project Manager for review an outline of the Final Report describing the original purpose, approach, results, and benefits of the project.

The outline shall be submitted to the Commission Project Manager who shall determine if the outline is satisfactory. If the Commission Project Manager determines that the outline is unsatisfactory, he or she will, in a timely manner, provide the recipient written comments which indicate how the outline can be improved. The recipient shall revise the outline to meet the Commission Project Manager's requirements. Upon finding the final report outline satisfactory, the Commission Project Manager shall provide written approval to the recipient.

Product Description: Final Report Outline

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

Subtask 3.2.2 Draft Final Report for Comment

The recipient shall prepare and submit to the Commission Project Manager a draft Final Report on the project. The format of the report shall follow the approved outline.

The draft final report shall be submitted to the Commission Project Manager for review and approval. If the Commission Project Manager determines that it is unsatisfactory, he or she will provide to the recipient in a timely manner written comments which indicate how it can be improved. The recipient shall revise the draft final report incorporating the Commission Project Manager's corrections and required changes. Upon finding the revised draft to be satisfactory, the Commission Project Manager shall provide to the recipient written approval.

Product Description: Draft Final Report

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

Subtask 3.2.3 Final Report

The recipient shall prepare the Final Report and submit it to the Commission Project Manager after receiving the Commission Project Manager's written approval of the draft Final Report. This task shall be deemed complete and accepted by the Commission only when the Commission Project Manager (with the consent of the Commission Program Manager) approves the Final Report in writing. Upon approval, the recipient shall submit two unbound copies of the Final Report to the Commission Project Manager.

Product Description: Final Report

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

Task 3.3 Final Meeting

The recipient shall meet with the Commission Project Manager and the Commission Program Manager to present findings, conclusions, and any closeout items.

Product Description: N/A

Due Date: *<months from funding agreement execution>*

Key Personnel and Subcontractors: *<list of personnel/subcontractors responsible for task>*

Section E: Project Management Structure and Personnel

ALL APPLICANTS must complete Section E for the pre-application and the final application. Section E describes the **key** personnel and contractors/subcontractors who are expected to complete the work on this project.

Your application should describe how your project team would be managed to ensure that the project would be completed on schedule and within budget. Provide an organization chart of the project team including reporting lines. Provide resumes of key project participants. Describe the rights and obligations of other sponsors and describe the qualifications of project contractors and subcontractors.

Tips for completing Section E. Does your application:

- Demonstrate through education and work experience your team's ability to complete the project's planning, scientific, and engineering work?
- Demonstrate an ability to keep the project within budget and on schedule?
- Identify your team?

Section F: Budget

ALL APPLICANTS must complete Section F for both the pre-application and the final application. Section F provides a budget summary and a budget detail that shows how funding will be allocated between the budget categories and the match share and Commission-funded parts of the project. This budget will appear in the funding agreement between the applicant and the Energy Commission.

All budgeted costs should be based on actual costs while adhering to any specific limitations contained in the ***GRDA Terms and Conditions (Attachment 4)***. The Commission will use the ***GRDA Terms and Conditions*** and the appropriate OMB circular and/or Federal regulations to assist in determining whether certain costs are allowable. The Commission reserves the right to use as much or as little of each circular or regulations it deems necessary to administer the award in good faith and be consistent with prudent fiscal management of public funds.

Provide a detailed budget of proposed expenditures. Funds must be used for projects described in the work statement. Please include all categories listed below, and only these categories in the following order. If your project has no budget in the category, list and put “\$0” in the budget column.

Complete a ***Budget Summary (Exhibit 2.1)*** and a ***Budget Detail (Exhibit 2.2)*** for both reimbursable and match-share expenditures. See the following ***Budget Summary (Exhibit 2.1)*** and ***Budget Detail (Exhibit 2.2)*** for examples. Your application must provide backup documentation (both reimbursable and match) describing how the project budget was derived, including a listing of:

- **PERSONNEL:** List job classification, hourly salary, number of hours to work on this project, and total cost. If employees are paid on a monthly versus hourly basis, provide monthly salary, percentage of time to be worked on this project, number of months to work on this project, and total cost.
- **FRINGE BENEFITS:** Specify percentage of Salaries and Wages and total cost.
- **TRAVEL:** List each trip (or category of trip), purpose of trip, itemization of costs, and cost per trip. Any trips that are not included in the grant budget will require prior written authorization from the Energy Commission Project Manager. **(See Attachment 5 for the *Summary of Allowable Travel and Per Diem Expenses.*)**
- **EQUIPMENT:** Itemize with costs per item. This includes all equipment that will be directly purchased by the Recipient. “Equipment” means tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5000 or more per unit.
- **SUPPLIES:** Itemize with costs per item. This includes all supplies that will be directly purchased by the Recipient. Similar items can be consolidated into subcategories.

- **CONTRACTUAL:** Specify the amount and purpose of each contract. (This would include contracts for the purchase and installation of equipment, etc.)
- **OTHER:** List any other items that do not fall in any of the above categories.
- **INDIRECT:** State the basis for the proposed indirect cost rates. Attach documentation of calculations. The Energy Commission Project Manager will review the indirect rate and documentation to support the rate. If a rate has been approved by a federal agency, the applicant should submit a copy of the approval.
- **MATCH CONTRIBUTIONS:** The nature, amounts, source, and status of the match contribution(s). If all or parts of matching funds are from outside sources, describe the degree of commitment of these funds (e.g., funding agreement is under review, preliminary acceptance of a funding agreement, or executed agreement). Briefly describe any conditions attached to your uses of these outside sources of funds. Specifically identify the sale or transfer of any technology or intellectual property rights associated with match-share funding. Match share expenditures must occur within the grant or loan term.

Identify and describe all assumptions used in developing the budget in the application.

For GRDA loans, provide cash-flow analysis to demonstrate repayment at the requisite interest rate and term of repayment.

Statement of Need for Funding

Attach an explanation of why you need Energy Commission funding and describe other funding sources you have applied for or considered applying for this project.

Tips for completing Section F. Does your application:

- Present reasonable and adequate cost estimates for identified categories?
- Meet match share requirements?
- Represent a reasonable funding request relative to your overall project?

Exhibit 2.1

EXAMPLE: BUDGET SUMMARY

**Energy
Match**

**STATE OF CALIFORNIA
BUDGET SUMMARY**

CALIFORNIA ENERGY COMMISSION

Recipient: _____

Project Title: _____

Budget Item	CEC Share	Match Share	Total Budget
<u>Personal Services:</u>			
Direct Labor	5,600	5,600	11,200
Fringe Benefits (40% of Direct Labor)	2,240	2,240	4,480
Total Personal Services	7,840	7,840	15,680
<u>Operating Expenses:</u>			
Sub-contracted Services	22,000	0	22,000
Supplies/Materials	1,250	1,250	2,500
Equipment	0	45,000	45,000
Travel	68	0	68
Other	0	500	500
Total Operating Expenses	23,318	46,750	70,068
<u>Overhead</u>			
Indirect Overhead (10% of Total Direct Costs)	3,116	5,459	8,574
G&A Overhead (Specify Rate and Basis)	0	0	0
Total Overhead	3,116	5,459	8,575
TOTAL BUDGET	34,274	60,049	94,323

Exhibit 2.2

EXAMPLE: BUDGET DETAIL

BUDGET DETAILS

Recipient:

Project Title:

Expenses			CEC Share	Match Share	Total Budget
Personnel:	Hours	Rate/Hour			
Project Manager	50	\$150	3,750	3,750	7,500
Mechanical Engineer	50	\$50	1,250	1,250	2,500
Technician	30	\$25	375	375	750
Support Staff	30	\$15	225	225	450
Total Personnel			5,600	5,600	11,200
Fringe Benefits:					
FB 40% of Total Personnel Salaries			2,240	2,240	4,480
Travel:					
10 trips to Sacramento project sites to monitor installation @ 34 cents per mile @ approximately 20 miles per trip			68	0	68
Equipment:	Qty	Unit Cost			
Pumps	2 EA	\$10,000 EA	0	20,000	20,000
Heat Exchanger	1 EA	\$25,000 EA	0	25,000	25,000
Total Equipment			0	45,000	45,000
Supplies:	Qty	Unit Cost			
Electrical Wire	150 FT	\$10/FT	750	750	1,500
Small Tools	Variety	\$1,000	500	500	1,000
Total Supplies			1,250	1,250	2,500
Contractual (Sub-Contract):					
Equipment Installation Contract			20,000	0	20,000
Data Analysis Contract			2,000	0	2,000
Total Contractual			22,000	0	22,000
Other:					
Permitting Fees			0	500	500
Indirect:					
Indirect 10% of Total Direct Costs			3,116	5,459	8,575
TOTAL BUDGET			34,274	60,049	94,323

Section G: Financial (Private Entities Only)

ONLY PRIVATE ENTITY APPLICANTS must complete Section G for the final application only. The purpose of this section is to provide additional information to demonstrate sufficient financial resources to support completion of a Commission co-funded project and financial ability to complete the implementation of the results of this project. Your income tax returns, financial statements, and credit reports will remain confidential. If your application is not approved, Commission staff will destroy your application and confidential information after debriefings for final applicants are complete. If your application is approved, unless available in the public domain elsewhere, tax returns and financial statements will remain confidential. Commission staff will retain the original and one copy of the approved final applications and confidential information for the life of the project or as deemed by Commission Legal Counsel. Commission staff will destroy other final application copies.

Full Legal Name of Applicant: _____

Business Address: _____

Telephone Number: () _____ California Tax ID Number: _____

Nature of Business: _____

Number of Employees: _____

Year Established: _____ How Long Under Current Ownership? _____

Legal Form of Business:

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Sub-Chapter S Corporation | <input type="checkbox"/> Other (identify) |

- If Corporation, attach Article of Incorporation.
- If Partnership, attach Partnership Agreement.
- If Sole Proprietorship, attach Fictitious Name Filing.

Note: Certain entities such as corporations, limited partnerships/limited liability companies may be required to register and be in good standing with the California Secretary of State to be eligible to enter into a grant agreement with the Energy Commission. If you are not registered with the California Secretary of State, we encourage you to contact their office at www.ss.ca.gov or (916) 653-6814 as soon as possible to avoid potential delays in beginning your project should you be awarded funding.

Ownership/Management Information

Applicants must provide the following management and ownership information:

Management (all applicants)

<u>Name</u>	<u>Title</u>	<u>Years with company</u>
-------------	--------------	---------------------------

Ownership (list all corporate and partnership applicants)

<u>Shareholder/Partner</u>	<u>% Ownership</u>	<u>SS#</u>	<u>General or Limited</u>
----------------------------	--------------------	------------	---------------------------

Financial Information

Provide the information requested under the applicant's legal form of business from the following categories. If 25 percent or more of non-governmental match funding is coming from an outside source(s), the following information must be provided on that source(s) as well. **Please check off the information that has been included in this application.**

For Corporations

- ___ Current personal financial statement and the most recent one year's complete federal tax return with all schedules for all principals;
- ___ Identify cash from outside sources if match share(s) identified in the application do not materialize;
- AND
- ___ Three most recent years of complete, independent CPA-prepared, FYE audited, reviewed, or compiled financial statements;
- OR
- ___ Three most recent years internally prepared FYE financial statements which include at least income statements, balance sheets, and cash flow statements; **plus** three most recent years complete federal tax returns (as submitted to taxing authorities) with all schedules. (If the corporation has marginal assets, current personal financial statements and the most recent one-year's complete federal tax returns with all schedules for all principals may be requested for the final application.)

For Partnerships

- ___ Current personal financial statement and the most recent one year's complete federal tax return with all schedules for all principals;
- ___ Identify cash from outside sources if match share(s) identified in the application do not materialize;
- AND
- ___ Three most recent years of complete, independent CPA-prepared, FYE audited, reviewed, or compiled financial statements;
- OR
- ___ Three most recent years internally-prepared, FYE financial statements which include at least an income statement, balance sheet, and cash flow statement;
- ___ Three most recent years complete federal tax returns (as submitted to taxing authorities) with all schedules and **K-1's**.

For Sole Proprietors

- ___ Current personal financial statement and the most recent one year's complete federal tax return with all schedules for all principals;
- ___ Identify cash from outside sources if match share(s) identified in the application do not materialize;

AND

- ___ Three most recent years of complete federal personal income tax returns (as submitted to taxing authorities) with all schedules;
- ___ Current personal financial statement (preferably on a bank form).

Other Information

All private-entity applicants ***must*** answer the following questions and provide additional information as required. Failure to do so will result in an incomplete application that will be returned unprocessed to you for completion.

YES NO

- | | | |
|-----|-----|--|
| ___ | ___ | Has your business, or you as a sole proprietor, ever filed bankruptcy or defaulted on any debts? |
| ___ | ___ | Is your business, or you as a sole proprietor, a party to any claim or lawsuit? |
| ___ | ___ | Are you aware of any potential adverse change to the company's business or financial condition that can reasonably be anticipated? |
| ___ | ___ | Does your company anticipate any significant capital expenditures within the next twelve (12) months? |
| ___ | ___ | Does the company have any contingent liabilities? (i.e., is the business or principal an endorser, guarantor, or co-maker for any obligation?) |

If the answer to any of the above questions is YES, explain fully.

Collateral Information (Only for private entity applicants applying for a loan)

All loan awards must be fully collateralized within 60 days after the date the Commission approves the funding award or the award may be cancelled at the Commission's discretion. The Commission's Grants and Loans Office must approve the collateral. Collateral will consist of California real property, equipment financed by the loan award, other business assets, and personal assets of project principals and guarantors. See **Attachment 6** for the ***Security Checklist***, which outlines the minimum requirements for typical collateral types. The Commission reserves the right to accept or reject any offered collateral. Collateral will be discounted per the guidelines specified in the ***Security Checklist (Attachment 6)***. Provide full details of all collateral offered to secure 100 percent of the requested loan amount.

Section H: Certification, Authorization, and Resolution

ALL APPLICANTS must complete the applicable information for Section H: All applicants submitting a final application must complete the attached certification. **Local jurisdictions** must also provide a resolution as described below. **Private entities** must also provide an authorizing letter and either permit information or a resolution as described below.

Check the categories that apply to the applicant and attach the information required for your status:³

___ **LOCAL JURISDICTION**

___ **Certification.** All local jurisdictions must submit a signed **Certification (Exhibit 3)** certifying that the information presented is correct and complete and authorizing the Energy Commission to make inquiries and verify the information contained in this application.

___ **Local Jurisdictions Needing a Resolution.** All local jurisdictions must attach resolutions from their governing boards 1) authorizing submittal of this application, 2) accepting an award if recommended for funding, 3) designating an authorized representative, 4) committing matching funds contribution (see **Exhibit 4.1** for Example **Resolution A**). No further authorizations are needed.

___ **PRIVATE ENTITY**

___ **Certification.** All private entities must submit a signed **Certification (Exhibit 3)** certifying that the information presented is correct and complete and authorizes the Energy Commission to make inquiries and verify the information contained in this application.

___ **Private Entity Needing Authorizing Letter.** All private entities must submit a letter from a duly authorized representative stating that the applicant is fully authorized to submit this application and is empowered to execute all necessary contracts, agreements, amendments, and payment requests pertaining to its implementation. All private entity applicants must also submit either a permit or a resolution from the governing body of the local jurisdiction within which the project is located.

___ **Private Entity Needing Permit.** List any local jurisdiction permits required to initiate, complete, and/or operate any aspect of your project. Describe the status of permit(s) as of the date of application (preparing application, being reviewed, approved, etc.).

___ **Private Entity Needing a Resolution.** If a local permit is not required, private entity applicants must submit a resolution from the local governing body that the proposed project has

³The kind of document you submit depends on your status as either a local jurisdiction/public entity or a private entity.

been approved by the city, county, or Indian reservation in which the project is located. (See **Exhibit 4.2** for Example *Resolution B*).

Exhibit 3

CERTIFICATION

I certify to the best of my knowledge that the information contained in this application and supplemental information is correct and complete.

I authorize the California Energy Commission to make any necessary inquiries to verify the information I have presented.

Applicant Name

Signature of Authorized Representative

Date

Note: For a Local Jurisdiction, the Authorized Representative must be the person designated in their Governing Body's resolution. For a Private Entity, the Authorized Representative must be the President, Owner, General Partner or authorized (by original signed letter) designee.

Exhibit 4.1

If you need to submit a resolution, choose and use the example resolution format A or B that matches your application status and is approved with a signature by your governing authority OR draft a similar resolution approved by your governing authority. Attach the resolution with a signature.

Example: RESOLUTION A **Resolution by a Local Governmental Jurisdiction Applying for its Own Project**

WHEREAS, the **(name of local governmental jurisdiction here)** recognizes that it is in the interest of the regional, state, and national economy to develop alternative energy resources to reduce our dependence on foreign oil; and,

WHEREAS, geothermal energy is indigenous to **(name local geographic area)**, and its careful development may provide benefits to the local community in the form of jobs and reduced fuel costs; and,

WHEREAS, funds are available from the Local Government Geothermal Resources Revolving Subaccount in the General Fund through the California Energy Commission for grants and loans to local governments for geothermal-related activities;

NOW, therefore, be it resolved that the **(name governing body of the local governmental jurisdiction)** authorizes the submittal of the application to the California Energy Commission for funds to execute the **(name project)**.

Be it also resolved, if recommended for funding by the Commission, the State Legislature, and the Department of Finance, the **(name of governing body of the local governmental jurisdiction)** authorizes **(name of local governmental jurisdiction)** to accept a loan or grant award up to the amount of this application for \$ **(name requested amount)**, and, that **(name job title of designated project manager)** acting for the **(name local governmental jurisdiction)** is hereby authorized and empowered to execute in the name of **(name local governmental jurisdiction)**, all necessary contracts and agreements, and amendments hereto, to implement and carry out the purposes specified in the application.

The foregoing resolution was passed by the **(name governing body of the local governmental jurisdiction)** this _____ day of _____, _____.

Effective _____, _____

ATTEST:

Signed: _____

Date: _____

Title: _____

Exhibit 4.2

Example: RESOLUTION B **Resolution by a Local Governmental Jurisdiction Approving a Project** **Initiated by a Private Entity in the Local Jurisdiction**

NOTE: If the local jurisdiction has issued a permit(s) for your project (e.g. land use, building permits etc.), such permit(s) may substitute for the following formal resolution by the local jurisdiction to meet Energy Commission requirements. If there is no permit(s), the following formal resolution is required:

WHEREAS, the **(name local governmental jurisdiction here)** recognizes that it is in the interest of the regional, state, and national economy to develop alternative energy resources to reduce our dependence on foreign oil; and,

WHEREAS, geothermal energy resources are found in **(name local geographic area)**, and its careful development may provide benefits to the local community in the form of jobs and reduced fuel costs; and,

WHEREAS, **(name private party developing project)** has proposed a project with potential significance to both the local community and the geothermal industry; and,

WHEREAS, the **(name governing body of the local governmental jurisdiction)** has authority to approve geothermal-related projects in its jurisdiction; and,

WHEREAS, **(name private party developing project)** has requested approval for **(name project)** from **(name governing body of the local governmental jurisdiction)**;

Now, therefore, be it resolved that the **(name governing body of the local governmental jurisdiction)** hereby approves **(name project)**.

The foregoing resolution was passed by the **(name governing body of the local governmental jurisdiction)** this _____ day of _____, _____.

Effective: _____, _____

ATTEST:

Signed: _____

Date: _____

Title: _____

Attachment 1

PUBLIC RESOURCES CODE – DIVISION 3, ARTICLE 3

Section 3823. Expenditures; Revenues and Grants; Activities

Revenues disbursed to counties of origin pursuant to Section 3821 and grants or loans made to local jurisdictions or private entities pursuant to Section 3822 shall be expended by the county or recipient for the following purposes:

- a) Undertaking research and development projects relating to geothermal resource assessment and exploration, and direct-use and electric generation technology.
- b) Local and regional planning and policy development and implementation necessary for compliance with programs required by local, state, or federal laws and regulations.
- c) Identification of feasible measures that will mitigate the adverse impacts of the development of geothermal resources and the adoption of ordinances, regulations, and guidelines to implement those measures.
- d) Collecting baseline data and conducting environmental monitoring.
- e) Preparation or revision of geothermal resource elements, or geothermal components of energy elements, for inclusion in the local general plan, zoning and other ordinances, and related planning and environmental documents.
- f) Administrative costs incurred by the local jurisdiction that are attributable to the development or production of geothermal resources.
- g) Monitoring and inspecting geothermal facilities and related activities to assure compliance with applicable laws, regulations, and ordinances.
- h) Identifying, researching, and implementing feasible measures that will mitigate the adverse impacts of that development or production.
- i) Planning, constructing, providing, operating, and maintaining those public services and facilities that are necessitated by and result from the development or production.
- j) Undertaking projects demonstrating the technical and economic feasibility of geothermal direct heat and electrical generation applications.
- k) Undertaking projects for the enhancement, restoration, or preservation of natural resources, including, but not limited to, water development, water quality improvement, fisheries enhancement, and park and recreation facilities and areas.

Attachment 2

**CONFIDENTIALITY
INFORMATION DOCUMENT**

for the Geothermal Program

CALIFORNIA ENERGY COMMISSION



GRAY DAVIS, GOVERNOR

APRIL 2002

GEOTHERMAL PROGRAM

CONFIDENTIAL INFORMATION

1. General Considerations

You **should not** submit confidential information unless it is absolutely necessary. If you need to submit confidential information to support your application, complete ***Attachment 2A*** of this document to apply for confidentiality of your information. Do not submit information you want treated as confidential without applying for protection.

Applicants are advised that the state cannot provide an absolute guarantee that materials designated as confidential will not be disclosed to the public; the state cannot accept legal liability if such disclosure occurs.

The Energy Commission **will not** accept ***Applications for Confidential Designation*** for the following:

- a. Financial documentation/records/reports for publicly held companies
- b. Budget information (e.g., overhead or hourly rates of individuals involved with the project)
- c. Cost analyses
- d. Invoices and backup documentation
- e. Quarterly administrative reports
- f. Names of employees, subcontractors, and match fund participants
- g. The entire proposal

2 Confidential Information in Applications

All applications will be treated as confidential during the review process by the Scoring Committee. After the Scoring Committee has completed its review process, an application becomes a public document in its entirety unless confidentiality has been requested in accordance with Energy Commission procedures. Because the Energy Commission (Commission) cannot guarantee the absolute secrecy of proprietary information, applicants are discouraged from submitting such information in their application. However, when the presence of such information is essential to complete understanding of the proposal by the Scoring Committee, the Commission will accept and make every attempt to protect the confidentiality of this information in accordance with Commission regulations, provided the applicant submits the confidential information as a separately bound Volume 2 of the application accompanied by an ***Application for Confidential Designation*** form (***Attachment 2A***). All proposal volumes, including Volume 2, must be submitted at the same time. The Commission reserves the right to return or discard some or all materials designated as confidential. Information submitted in this manner shall be processed in accordance with the procedures described below:

a. Materials submitted by applicants who do not receive an award (those disqualified, or eliminated).

Confidential materials submitted by applicants who do not receive an award will either be returned to the applicant or discarded by Commission staff as directed by the applicant.

b. Materials submitted by applicants who receive an award.

For applicants who receive an award, the determination of the status of confidential materials submitted with each applicant's proposal will be made by the Energy Commission in the special terms and conditions in the funding agreement between the awardee and the state.

3. Information Generated through Award Work

Where planned award activities are expected to generate data that the applicant desires to be treated as confidential, the applicant should describe these proposed confidential deliverables. The Energy Commission reserves the right to approve or disapprove any such confidential deliverables in the special terms and conditions in the funding agreement between the finalist and the state. Types of information not identified as confidential within the funding agreement will not be handled confidentially.

Attachment

Attachment 2A

CALIFORNIA ENERGY COMMISSION GEOTHERMAL PROGRAM

APPLICATION FOR CONFIDENTIAL DESIGNATION¹ (20 California Code of Regulations, Section 2505)

(This application for confidentiality is a public document)

The entire application cannot be delineated as confidential. Volume 1 of the application is a public document.

Applicant (name of individual, business entity, or other organization owing the record):

Address:

Phone: ()

1. Title, date, and description (including number of pages) of the record.

2. Specify the part(s) of the record for which you request confidential designation.

¹ Please use additional sheets, as necessary, to complete this application and attach them to this form.

3. State and justify the length of time the Commission should keep the record confidential.

4. The record is confidential because it is:

☐ A trade secret (Government Code Section 6254(k), Evidence Code Section 1060).
A trade secret may consist of a formula, pattern, device or compilation of information which is used in one's business, and which gives him/her an opportunity to obtain an advantage over competitors who do not know or use it.

☐ Archaeological site information (Government Code Section 6265.10).

☐ Records of Native American graves, cemeteries, and/or sacred places maintained by the Native American Heritage Commission (Government Code Section 6254(r)).

☐ Other (specify from the Public Records Act or other law that allows the Commission to keep the record confidential).

5. Explain why the above provision applies to the record.

6. Discuss the public interest in nondisclosure of the record. If the record contains trade secrets or its disclosure would otherwise cause loss of a competitive advantage, please also state:
 - (a) How it would be lost;
 - (b) The value of the information to the applicant; and
 - (c) The ease of difficulty with which the information could be legitimately acquired or duplicated by others.

7. State whether the record may be disclosed if it is aggregated with other information or masked to conceal certain portions (including, but not limited to, the identity of the applicant). State the degree of aggregation or masking required. If the data cannot be disclosed even if aggregated or masked, explain why.

8. State how the record is kept confidential by the applicant and whether it has ever been disclosed to a person other than an employee of the applicant. If it has, explain the circumstances under which the disclosure occurred.

I certify under penalty of perjury that the information contained in this *application for confidential designation* is true, correct, and complete to the best of my knowledge and that I am authorized to make the application and certification on behalf of the applicant.

Dated: _____

Signed: _____

Name (print): _____

Title: _____

**ATTACH THIS APPLICATION TO THE RECORD FOR WHICH
CONFIDENTIALITY IS REQUESTED**

Attachment 3.1

TAC GRDA DEVELOPMENT PROJECT SCORING FORM

Proposal Number: ____

Geothermal Program Technical Advisory Committee Scoring of Final Applications

Applicant Name:

Project Title:

Technical Advisory Member:

Scoring Criteria. For each criteria listed, provide your assessment on how well this final application addresses the bullet items:

D.1. Economic and Employment Benefits **Score: ____ of 15 possible points**

The extent to which the proposed project will create local and statewide economic and employment benefits. In particular, the degree the project:

- improves local jobs opportunities, and decreases unemployment;
- stimulates business investment in geothermal energy;
- improves the competitiveness of California's geothermal companies;
- increases local and state tax revenues;
- stimulates small business development;
- increases local standards of living by producing energy cost savings, or otherwise reducing consumer costs;
- helps to develop a green energy market;
- increases energy resource diversity and/or security.

D.2. Demonstration Value **Score: ____ of 15 possible points**

The extent to which the proposed project will overcome technical, economic, institutional, and informational barriers. In particular, the degree the project demonstrates an innovation that:

- improves the competitiveness of geothermal energy as an energy resource;
- increases resource/electricity availability, flexibility, reliability, and power quality;
- improves efficiencies;
- provides environmental, and health and safety benefits or mitigates adverse impacts;
- reduces capital costs or operation and maintenance costs;
- maintains California's lead in the development and use of renewable technologies;
- includes defined technology transfer activities as part of the project.

Attachment 3.1

TAC GRDA DEVELOPMENT PROJECT SCORING FORM

D.3. Payback and Cost effectiveness

Score: ____ of 15 possible points

The extent the proposed project is economically viable (profitable) and represents a high benefit to cost ratio. Considerations include:

- the amount of public (versus private) benefits that will result from the project;
- the degree to which the project represents a reasonable funding request relative to overall project cost;
- whether the project is expected to result in a product or service capable of near-term market introduction;
- the profitability of the project;
- ability to repay (loan applicants only).

D.4. Proven Extent of the Resource

Score: ____ of 15 possible points

The proven extent of the resource is evaluated by the degree to which an identified geothermal resource is developed and capable of supporting the proposed project. Considerations include the degree to which:

- technical and economic feasibility studies, resource assessments, or exploration drilling demonstrate that the resource is of adequate size, quality, and accessibility;
- extended geothermal resource life is anticipated through innovation to increase efficiency without greater use of the geothermal resource, or through reservoir enhancement techniques.

D.5. Likelihood of Success

Score: ____ of 15 possible points

The likelihood of success will be evaluated according to the appropriateness and implementation of the goals and objectives established for the project. Considerations include the degree to which the:

- proposal has clearly identified and quantified goals and objectives for resolving key technical, environmental, economic, or other issues impeding development of geothermal energy;
- proposal demonstrates a clear, appropriate, and complete plan for achieving identified goal and objectives;
- work schedule reasonably appropriates time with respect to sequence of tasks, time allocated per task, and the use of labor, equipment, and facilities;
- work statement is well written, identifies logical decision points for continuing or terminating the project and includes task deliverables/products;
- applicant proposes to deliver appropriate products such as test data, analytical methodologies, hardware demonstrations, and reports;
- budget clearly identifies the allocation of funds to perform the work;
- applicant/team has demonstrated its capability to perform the project's planning, scientific, and engineering work;

Attachment 3.1

TAC GRDA DEVELOPMENT PROJECT SCORING FORM

- applicant/team is capable of administering the funding agreement to control costs, maintain the project schedule, perform the work, and produce high quality products;
- when applicable, the proposal identifies future phases of the project which describe how the product or service will be introduced into the market.

D.6. Match Contribution

Score: ____ of 15 possible points

The appropriateness of the proposed level of match contribution will be evaluated based on:

- the total amount of match funds identified by the applicant;
- the commitment and security of the match contribution;
- the degree to which matching funds represent commitment of the applicant's own financial resources to complete the project.

D.7. Overriding Issues

Score: ____ of 30 possible points

Overriding issues are evaluated according to the degree to which the project addresses key problems facing the geothermal industry. Additionally, points can be awarded for issues or benefits identified in the proposal but not otherwise considered in other criteria (e.g. projects addressing issues that corresponds with current state and federal collaboration efforts). The key problems for which overriding issues points may be awarded include projects expected to:

- 1) RD&D projects that lower the life-cycle cost of geothermal electricity generation including but not limited to:
 - Improving the efficiency and reducing the cost of resource exploration and assessment, permeability detection, mapping and well siting, resource drilling and well completion, power plant design and construction, environmental mitigation, reservoir monitoring, or power plant surface processing facilities;
 - Creating value-added products and revenue streams from geothermal power plants; Reducing operation and maintenance costs of wells (i.e. production and injection) and power plants.
- 2) RD&D projects that lower the cost of enhanced geothermal systems by:
 - Demonstrating and lowering the cost of extracting energy from resources of progressively lower permeability and fluid content or from lower temperature resources.
 - Investigating the extraction of fluids at higher energy densities (up to and including supercritical).
Using unproductive portions (low-permeability or fluid-depleted zones) of operating hydrothermal reservoirs as test beds for enhanced geothermal systems.
 - Investigating the potential of increasing generating capacities of existing geothermal power plants through wastewater injection.

Attachment 3.1

TAC GRDA DEVELOPMENT PROJECT SCORING FORM

- Assessing high-temperature, non-hydrothermal resources suitable for development as enhanced geothermal systems.
- 3) Projects that add-on to existing geothermal facilities, increasing the capacity. These projects include but not limited to:
- Improving dispatchability of geothermal power plants;
 - Flash/Binary hybrid configurations;
 - Natural gas/geothermal hybrid configurations;
 - Hybrid configuration of water-cooled and air-cooled cooling towers.

These existing facilities shall have the following characteristics:

- Sufficient T&D capacity to allow additional capacity;
 - Infrastructure already exists to lower costs of further development;
 - Lower costs, lower risk exploration attributes (shallower, known resources, etc.).
- 4) Projects such as cascaded geothermal systems that take advantage of waste heat from new or existing facilities for additional electricity generation or direct use applications. These projects include:
- Hybrids configuration mentioned in (3);
 - Power generation and direct use applications.

Summary of Individual TAC Member Scoring for Proposal No. _____	
D.1. Economic and Employment Benefits	Score: _____
D.2. Demonstration Value	Score: _____
D.3 Payback and Cost Effectiveness	Score: _____
D.4. Proven Extent of the Resource	Score: _____
D.5. Likelihood of Success	Score: _____
D.6. Match Contribution	Score: _____
D.7. Overriding Issues	Score: _____
TOTAL TAC MEMBER SCORE: _____ of 120 possible points	

Attachment 3.2

TAC GRDA PLANNING PROJECT SCORING FORM

Proposal Number: _____

Geothermal Program Technical Advisory Committee Scoring of Final Planning Applications

Applicant Name:

Project Title:

Technical Advisory Member:

Scoring Criteria. For each criteria listed, provide your assessment on how well this final application addresses the bullet items:

P.1. Demonstrated Need

Score: _____ of 15 possible points

The demonstrated need of a project is evidenced by the:

- anticipated effect of the project on geothermal energy development;
- consequences resulting from not doing the project;
- reasonableness of the costs relative to anticipated benefits;
- documented support from the geothermal community or regulatory agencies;
- degree to which other sources of funding were sought or obtained for the project.

P.2. Stimulation of Geothermal Energy Development **Score: _____ of 15 possible points**

The degree to which a plan stimulates geothermal development is determined by how likely it will:

- identify options that mitigate documented negative impacts of existing geothermal development relative to air and water quality, ambient noise levels; wildlife, vegetation, viewshed esthetics, impacts to public health and safety, or to public services and facilities;
- assist local government decision-makers to define appropriate planning or regulatory requirements related to geothermal energy development;
- remove institutional barriers affecting new or continued geothermal resource development;
- provide planning tools for evaluating new or existing resource development including exploration, drilling, reservoir development and power plant operations;
- provide planning tools for assessing geothermal heat pump potential, site feasibility, performance, or hybrid systems design.

P.3. Proven Extent of the Resource

Score: _____ of 15 possible points

The degree that the project stimulates development or removes barriers from an identified, significant, and usable geothermal resource.

Attachment 3.2

TAC GRDA PLANNING PROJECT SCORING FORM

Attachment 3.2

TAC GRDA PLANNING PROJECT SCORING FORM

P.4. Implementation

Score: ____ of 15 possible points

The implementation value of a plan is evidenced by the extent to which planning work resulting from this project will be used and leads to positive changes. Considerations include the degree to which the:

- proposal has clearly identified and quantified goals and objectives for resolving key technical, environmental, economic or other issues confronting development of geothermal energy;
- proposal demonstrates a clear, appropriate and complete plan for achieving identified goal and objectives;
- work schedule reasonably schedules tasks, allocates time per task, and uses labor, equipment, and facilities;
- work statement identifies logical decision points for continuing or terminating the project;
- applicant proposes to deliver appropriate products such as test data, analytical methodologies, planning documents, and reports;
- budget clearly identifies the allocation of funds to perform the work;
- applicant/team has demonstrated its capability to perform the project's planning, scientific, and engineering work;
- applicant/team is capable of administering the funding agreement to control costs, maintain the project schedule, perform the work, and produce high quality products;
- when applicable, proposal identifies future phases of the project and, if appropriate, describes how the product or service will be introduced into the market.

P.5. Public Involvement

Score: ____ of 15 possible points

The degree to which the proposed plan will involve the public at large or the geothermal community is evidenced by:

- demonstrated interest and support for the project by stakeholders, regulatory agencies and the public;
- the degree the project plan includes efforts for recruiting broad based involvement in the project, information exchange, and the dissemination of results;

P.6. Match Contribution

Score: ____ of 15 possible points

The appropriateness of the proposed level of match contribution will be evaluated based on the:

- total amount of match funds identified by the applicant;
- commitment and security of the match contribution;
- degree to which matching funds represent a commitment of the applicant's own financial resources to complete the project.

Attachment 3.2

TAC GRDA PLANNING PROJECT SCORING FORM

P.7. Overriding Issues

Score: ____ of 30 possible points

Overriding issues are evaluated according to the degree to which the project addresses key problems facing the geothermal industry. Additionally, points can be awarded for issues or benefits identified in the proposal but not otherwise considered in other criteria (e.g. projects addressing issues that corresponds with current state and federal collaboration efforts). The key problems for which overriding issues points may be awarded include projects expected to:

- reduce the cost of geothermal electricity generation
- reduce the uncertainty and cost of enhanced geothermal systems
- provide add-on development for power production at existing geothermal facilities
- provide cascaded geothermal systems.

Summary of Individual TAC Member Scoring for Proposal No. ____

P.1. Demonstrated Need	Score: ____
P.2. Stimulation of Geothermal Energy Development	Score: ____
P.3. Proven Extent of the Resource	Score: ____
P.4. Implementation	Score: ____
P.5. Public Involvement	Score: ____
P.6. Match Contribution	Score: ____
P.7. Overriding Issues	Score: ____

TOTAL TAC MEMBER SCORE: _____ of 120 possible points

Attachment 3.3

TAC GRDA MITIGATION PROJECT SCORING FORM

Proposal Number: _____

Geothermal Program Technical Advisory Committee Scoring of Final Applications

Applicant Name:

Project Title:

Technical Advisory Member:

Scoring Criteria. For each criteria listed, provide your assessment on how well this final application addresses the bullet items:

M.1. Documented Impact

Score: ____ of 15 possible points

Documented impact is evidenced by the degree the proposed project is based on reliable and well-documented information, data, and evidence. In particular, the degree to which the proposal clearly describes the impact being mitigated, benefits of mitigation, consequences of inaction, and support for the recommended mitigation by regulatory agencies.

M.2. Demonstrated Need

Score: ____ of 15 possible points

The demonstrated need of a project is evidenced by the:

- the degree the project removes documented negative impacts of existing geothermal development relative to air and water quality, ambient noise levels; wildlife, vegetation, viewshed esthetics, impacts to public health and safety, or to public services and facilities;
- impact on geothermal energy resources development resulting from the project;
- consequences resulting from not doing the project;
- reasonableness of the costs relative to anticipated benefits;
- documented support from the geothermal community or regulatory agencies;
- degree to which other sources of funding were sought/obtained for the project.

M.3. Availability of Alternatives to Mitigate the Impact points

Score: ____ of 15 possible

The extent to which the proposed project represents the best solution compared to available alternatives. Considerations include the:

- degree to which the proposal identifies and analyzes mitigation alternatives;
- quality of the analysis for mitigating the impact including an assessment of the advantages and disadvantage of each alternative;
- technical and economic feasibility studies supporting the project.

Attachment 3.3

TAC GRDA MITIGATION PROJECT SCORING FORM

M.4. Timeliness

Score: ____ of 15 possible points

Timeliness is evaluated according to the degree there are near-term positive consequences from the project. Considerations include:

- degree the project will provide near-term benefits for development of geothermal resources, environmental quality, or public health and safety;
- degree there are significant and negative consequences from not doing the project;
- demonstrated interest and support for the project by stakeholders, regulatory agencies and the public.

M.5. Likelihood of Success

Score: ____ of 15 possible points

The likelihood of success will be evaluated according to the appropriateness and implementation of the goals and objectives established for the project. Considerations include the degree to which the:

- proposal has clearly identified and quantified goals and objectives for resolving key environmental and socio-economic issues impeding development of geothermal energy;
- proposal demonstrates a clear, appropriate, and complete plan for achieving identified goals and objectives;
- work schedule reasonably schedules tasks, allocates time per task, and uses labor, equipment and facilities;
- work statement identifies logical decision points for continuing or terminating the project;
- applicant proposes to deliver appropriate products such as test data, analytical methodologies, hardware demonstrations, and reports;
- budget clearly identifies the allocation of funds to perform the work;
- applicant/team has demonstrated its capability to perform the project's planning, scientific, and engineering work;
- applicant/team is capable of administering the funding agreement to control costs, maintain the project schedule, and perform the work and produce high quality products.

M.6. Match Contribution

Score: ____ of 15 possible points

The appropriateness of the proposed level of match contribution will be evaluated based on:

- the total amount of match funds identified by the applicant;
- the commitment and security of the match contribution;
- the degree to which matching funds represent a commitment of the applicant's own financial resources to complete the project.

Attachment 3.3

TAC GRDA MITIGATION PROJECT SCORING FORM

M.7. Overriding Issues

Score: ____ of 30 possible points

Overriding issues are evaluated according to the degree to which the project addresses key problems facing the geothermal industry. Additionally, points can be awarded for issues or benefits identified in the proposal but not otherwise considered in other criteria (e.g. projects addressing issues that corresponds with current state and federal collaboration efforts). The key problems for which overriding issues points may be awarded include projects expected to:

- reduce the cost of geothermal electricity generation
- reduce the uncertainty and cost of enhanced geothermal systems
- provide add-on development for power production at existing geothermal facilities
- provide cascaded geothermal systems.

Summary of Individual TAC Member Scoring for Proposal No. ____

M.1. Documented Impact	Score: ____
M.2. Demonstrated Need	Score: ____
M.3. Availability of Alternatives to Mitigate the Impact	Score: ____
M.4. Timeliness	Score: ____
M.5. Likelihood of Success	Score: ____
M.6. Match Contribution	Score: ____
M.7. Overriding Issues	Score: ____

TOTAL TAC MEMBER SCORE: _____ of 120 possible points

Attachment 4

TERMS AND CONDITIONS
FOR
GEOHERMAL RESOURCES DEVELOPMENT
ACCOUNT GRANTS

AWARD # - -



TERMS AND CONDITIONS

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TERMS AND CONDITIONS

1. Grant Agreement

This project is being funded with a grant from the California Energy Commission (Commission). Funding for this project was authorized by the 2001/02 Budget Act, Chapter 106, Statutes of 2001, and consists of funds from the Geothermal Resources Development Account.

This Agreement is comprised of the grant funding award, the Terms and Conditions, and all attachments. These Terms and Conditions are standard requirements for grant awards. The Commission may impose additional special conditions in this grant Agreement which address the unique circumstances of this project. Special conditions that conflict with these standard provisions take precedence.

The Recipient shall sign all six copies of this Agreement and return five signed packages to the Commission's Grants and Loans Office within 30 days. Failure to meet this requirement may result in the forfeiture of this award. When all required signatures are obtained, an executed copy will be returned to the Recipient.

Commission-funded work cannot begin prior to the Agreement term date. This Agreement is not effective until it is signed by all parties.

2. Attachments and References

The following are attached and hereby expressly incorporated into this Agreement.

- Work Statement.
- Budget.
- Resolution of the Recipient or Local Jurisdiction Governing Body (if applicable).
- Resolution of the California Energy Commission (if applicable).
- Special Conditions

The Office of Management and Budget (OMB) Circulars and/or federal regulations identified below are incorporated by reference as part of this Agreement. These Terms and Conditions and any Special Conditions take precedence over the circulars and/or regulations. The OMB Circulars and federal regulations are used to help guide the administration of the award when questions arise during the course of performance of the award. The Commission reserves the right to use as much or as little of each circular or regulation it deems necessary to administer the award in good faith and consistent with prudent fiscal management of public funds. OMB Circulars may be accessed on the OMB web site at www.whitehouse.gov/omb/circulars/index.html or by calling the Office of Administration, Publications Office, at (202) 395-7332.

- Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- OMB Circular A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (also applicable to private entities).
- 10 CFR Part 600: DOE Financial Assistance Regulations (www.pr.doe.gov/f600toc.html).
- OMB Circular A-87: Cost Principles for State, Local and Tribal Governments.
- OMB Circular A-21: Cost Principles Applicable to Grants, Contracts, and Other Agreements with Institutions of Higher Education (public and private colleges and universities).
- OMB Circular A-122: Cost Principles Applicable to Grants, Contracts, and Other Agreements with Non-Profit Organizations (non-profit organizations and individuals, except for those specifically exempted).
- OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations.
- Title 48 CFR, Ch. 1, Subpart 31.2: Contracts with Commercial Organizations (Supplemented by 48 CFR, Ch. 9, Subpart 931.2 for Department of Energy grants) (commercial firms and certain non-profit organizations) (www.access.gpo.gov/nara/cfr/cfr-table-search.html)

3. *Funding Limitations*

Any federal, state, and local laws and regulations applicable to your project not expressly listed in this Agreement are incorporated herein as part of this Agreement.

4. *Due Diligence*

The Recipient is required to take timely actions which, taken collectively, move this project to completion. The Commission Project Manager will periodically evaluate the schedule for completion of Work Statement tasks. If the Commission Project Manager determines (1) the Recipient is not being diligent in completing the tasks in the Work Statement or (2) the time remaining in the funding award is insufficient to complete all project work tasks not later than the Agreement term date, the Project Manager (with the approval of the Program Manager) may recommend to the Policy Committee of the Commission (Committee) that this Agreement be terminated, and the Committee may, without prejudice to any of its remedies, terminate this Agreement.

5. *Products*

Products are defined as any tangible item specified in the Work Statement. Unless otherwise directed, draft copies of all products identified in the Work Statement shall be submitted to the Commission Project Manager for review and comment. The Recipient will submit an original and two copies of the final version of all products to the Commission Project Manager.

6. *Reports*

a. Progress Reports

The Recipient shall submit progress reports to the Commission Project Manager as indicated in the Special Conditions or Work Statement. At a minimum, each progress report shall include the following:

Work Statement: This section should include a brief restatement of the approved tasks in the Work Statement and a report on the status of each. Included should be a discussion of any products due and whether or not the project is progressing according to schedule. This section also should include a discussion of any problems encountered, proposed changes to the tasks in the Work Statement, and anticipated accomplishments in the upcoming quarter.

Financial Status: This section should include a narrative report comparing costs to date with the approved Budget. The report should state whether or not the project is progressing within the approved Budget and discuss any proposed changes.

Additional Information: Additional information required in the progress reports may be specified in the Work Statement or Special Conditions.

b. Final Reports

A draft final report shall be submitted to the Commission Project Manager no later than 60 days prior to the end of the Agreement term. At a minimum, the report shall include:

- Table of Contents.
- Abstract.
- A brief summary of the objectives of the project and how these objectives were accomplished.
- Any findings, conclusions, or recommendations for follow-up or ongoing activities that might result from the successful completion of the project.
- A statement of future intent of the grant Recipient to maintain or further develop the project.
- A Payment Request form for the final payment (including any retention).
- Any additional information specified in the Work Statement or Special Conditions.

The Commission Project Manager will review the draft report. The Recipient will incorporate applicable comments and submit the final report (the original and two copies) to the Commission Project Manager.

Upon receipt of the final report, the Commission Project Manager shall ensure that all work has been satisfactorily completed and, with the consent of the Program Manager, shall approve the final report and release retention.

c. Rights in Reports

The Commission reserves the right to use and reproduce all reports and data produced and delivered pursuant to this Agreement, and reserves the right to authorize others to use or reproduce such materials. Each report becomes the property of the Commission.

d. Failure to Comply with Reporting Requirements

Failure to comply with the reporting requirements contained in this award will be considered a material noncompliance with the terms of the award. Noncompliance may result in withholding of future payments, suspension or termination of the

current award, and withholding of future awards. A willful failure to perform, a history of failure to perform, or unsatisfactory performance of this and/or other financial assistance awards, may also result in a debarment action to preclude future awards.

7. *Legal Statement on Reports and Products*

No product or report produced as a result of work funded by this program shall be represented to be endorsed by the Commission, and all such products or reports shall include the following statement:

LEGAL NOTICE

This document was prepared as a result of work sponsored by the California Energy Commission. It does not necessarily represent the views of the Energy Commission, its employees, or the State of California. The Commission, the State of California, its employees, contractors, and subcontractors make no warranty, express or implied, and assume no legal liability for the information in this document; nor does any party represent that the use of this information will not infringe upon privately owned rights.

8. *Amendments*

Changes to the Work Statement, changes to specific line items in the budget, or both, may be made under certain conditions. Such changes must not alter the original scope or purpose of the project or program as proposed in the grant application. Such changes must not appreciably affect the value of the project or program. Work Statement changes and/or cumulative transfers among budget line items that exceed 15 percent of the grant award require advance written approval of the Commission Project Manager (with the consent of the Commission Program Manager) and Grants and Loans Office. All requests must be submitted directly to the Commission Project Manager in writing and include a description of the proposed change, revised attachment(s), and the reasons for the change. If the change is approved, the affected sections of the Agreement will be amended and signed by the Commission Project Manager, Grants and Loans Office, and the Recipient's authorized representative.

9. *Contracting and Procurement Procedures*

This section provides general requirements for an agreement between the Recipient and a third party ("subcontractor").

The Recipient is required, where feasible, to employ contracting and procurement practices that promote open competition for all goods and services needed to complete this project. Recipient shall obtain price quotes from an adequate number of sources for all subcontracts.

Subcontracting criteria are specified in the applicable OMB Circulars and/or federal regulations incorporated by reference in this Agreement. The Commission will defer to the

Recipient's own regulations and procedures as long as they reflect applicable state and local laws and regulations and are not in conflict with the minimum standards specified in this Agreement and any OMB Circulars and/or federal regulations incorporated by reference in this Agreement.

Upon request, the Recipient must submit to the Commission Project Manager a copy of all solicitations for services or products required to carry out the terms of this Agreement, copies of the proposals or bids received, and copies of subcontracts executed. If a specific subcontractor was identified in the original grant application and the grant was evaluated based in part on this subcontractor's qualifications, then prior written approval from the Commission Project Manager is required before substituting a new subcontractor.

The Recipient is responsible for handling all contractual and administrative issues arising out of or related to any subcontracts it enters into under this Agreement.

All subcontracts must incorporate all of the following:

- A clear and accurate description of the material, products, or services to be procured as well as a detailed budget and timeline.
- Provisions which allow for administrative, contractual, or legal remedies in instances where subcontractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
- Provisions for termination by the Recipient including termination procedures and the basis for settlement.
- Language conforming to the "Nondiscrimination" provision in this Agreement.
- Any additional requirements specified in the OMB Circulars incorporated by reference in this Agreement.
- The Standard of Performance provisions specified in this Agreement.
- Audit provisions regarding record retention specified in this Agreement.
- Language conforming to the "Indemnification" provision in this Agreement.
- Language conforming to the "License" provision in this Agreement.

Failure to comply with the above requirements may result in the termination of this Agreement.

10. *Bonding and Insurance*

The Recipient will follow its own bonding and insurance requirements relating to bid guarantees, performance bonds, and payment bonds without regard to the dollar value of the subcontract(s) as long as they reflect applicable state and local laws and regulations and are not in conflict with the minimum standards specified in the OMB Circulars incorporated by reference in this Agreement.

11. *Permits and Clearances*

The Recipient is responsible for ensuring all necessary permits and environmental documents are prepared and clearances are obtained from the appropriate agencies.

12. *Equipment*

Title to equipment acquired by the Recipient with grant funds shall vest in the Recipient. The Recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by grant funds and shall not encumber the property without Commission Project Manager approval. When no longer needed for the original project or program, the Recipient shall contact the Commission Project Manager for disposition instructions.

Recipient should refer to the OMB Circulars and/or federal regulations incorporated by reference in this Agreement.

13. *Termination*

This project may be terminated for any reason set forth below.

a. With Cause

In the event of any breach by the Recipient of the conditions set forth in this Agreement, the Commission Policy Committee may, without prejudice to any of its legal remedies, terminate this Agreement for cause upon five (5) days written notice to the Recipient.

b. Without Cause

The Commission Policy Committee may, at its option, terminate this Agreement without cause in whole or in part, upon giving thirty (30) days advance notice in writing to the Recipient by certified mail, return receipt requested. In such event, the Recipient agrees to use all reasonable efforts to mitigate the Recipient's expenses and obligations hereunder. Also in such event, the Commission shall pay the Recipient for all satisfactory services work performed and expenses incurred within 30 days

after such notice of termination which could not by reasonable efforts of the Recipient have been avoided, but not in excess of the maximum payable under this Agreement.

14. *Travel and Per Diem*

For purposes of payment, Recipient's headquarters shall be considered the location of the Recipient's office where the employees assigned responsibilities for this award are permanently assigned. Travel expenditures not listed in this section cannot be reimbursed.

Travel not listed in the Budget section of this Agreement shall require prior written authorization from the Commission Project Manager. Recipient shall be reimbursed for authorized travel and per diem up to, but not to exceed, the rates allowed nonrepresented state employees. A copy of the current allowable reimbursement rates can be obtained by contacting the Commission's Grants and Loans Office at (916) 654-4381.

Travel expense claims must detail expenses using the allowable rates, and Recipient must sign and date the travel expense claim before submitting the travel expense claim to the Commission for payment. Expenses must be listed by trip including dates and times of departure and return. Travel expense claims and supporting receipts and expense documentation shall be attached to the Recipient's Payment Request. A vehicle license number is required when claiming mileage, parking, or toll charges. Questions regarding allowable travel expenses or per diem should be addressed to the Commission Project Manager.

15. *License*

The Commission shall be granted a no-cost, nonexclusive, nontransferable, irrevocable worldwide license to use or have practiced for or on behalf of the State of California inventions developed hereunder and patents or patent applications derived from such inventions. Recipient must obtain agreements to effectuate this clause with all persons or entities obtaining ownership interest in the patented subject inventions.

The Commission makes no claim to intellectual property that existed prior to this Agreement and was developed without Commission funding. If applicable, the Recipient gives notice that the items listed in the Intellectual Property attachment or exhibit have been developed without Commission funding and prior to the start of this Agreement. This list represents a brief description of the prior developed intellectual property. A detailed description of the intellectual property, as it exists on the effective date of this Agreement, may be necessary if Commission funds are used to further develop the listed intellectual property. This information will assist the parties to make an informed decision regarding intellectual property rights.

The Commission shall be granted the no-cost use of the technical data first produced or specifically used in the performance of this Agreement.

The Commission shall be granted a royalty-free nonexclusive, irrevocable, nontransferable worldwide license to produce, translate, publish, use and dispose of, and to authorize others to produce, translate, publish, use and dispose of all copyrightable material first produced or composed in the performance of this Agreement.

16. *Standard of Performance*

Recipient, its subcontractors and their employees, in the performance of Recipient's work under this award shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Recipient's field.

Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, as directed by Commission Project Manager, shall be borne in total by Recipient and not the Commission. The failure of a project to achieve the performance goals and objectives stated in the Work Statement is not a basis for requesting re-performance unless the work conducted by Recipient and/or its subcontractors is deemed by the Commission to have failed the foregoing standard of performance.

In the event Recipient/subcontractor fails to perform in accordance with the above standard:

- (1) Recipient/subcontractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of the Commission Project Manager. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Recipient/subcontractor shall work any overtime required to meet the deadline for the task at no additional cost to the Commission;
- (2) The Commission shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and
- (3) The Commission shall have the option to direct Recipient/subcontractor not to re-perform any task which was not performed to the reasonable satisfaction of the Commission Project Manager pursuant to application of (1) and (2) above. In the event the Commission directs Recipient/subcontractor not to re-perform a task, the Commission and Recipient shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the Commission's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the Commission may have under law.

17. *Payment of Funds*

a. Payment Requests

The Recipient may request payment from the Commission at any time during the term of this Agreement although it is preferred that payment requests be submitted with the progress reports.

Payments will generally be made on a reimbursement basis for Recipient expenditures, i.e., after the Recipient has paid for a service, product, supplies, or other approved budget item. No reimbursement for food or beverages shall be made other than allowable per diem charges.

As a general rule, advance payments are not allowed. The Commission, at its sole discretion, may honor advance payment requests if warranted by compelling need. Advance payments shall only be made upon the satisfaction of conditions intended to protect grant funds from loss or misuse, including (1) depositing all advance payments into a separate interest-earning account; (2) reporting interest earned on advance payments to the Commission Project Manager; (3) the accounting of all advance payments within a timeframe specified by the Grants and Loans Office; (4) returning all unused advance payments and interest or portion thereof, within 60 days of the termination of this Agreement; and (5) other conditions as specified by the Grants and Loans Office.

Funds in this award have a limited period in which they must be expended. All Recipient expenditures must occur prior to the end of the term of this Agreement.

b. Documentation

All payment requests must be submitted using a completed Payment Request form (Exhibit A). This form must be accompanied by an itemized list of all charges and copies of all receipts or invoices necessary to document these charges for both Commission and match share. Any payment request that is submitted without the itemization will not be authorized. If the itemization or documentation is incomplete, inadequate, or inaccurate, the Commission Project Manager will inform the Recipient and hold the invoice until all required information is received or corrected. Any penalties imposed on the Recipient by a subcontractor because of delays in payment will be paid by the Recipient.

c. Release of Funds

The Commission Project Manager will not process any payment request during the Agreement term until the following conditions have been met:

- All required reports have been submitted and are satisfactory to the Commission Project Manager.
- All applicable special conditions have been met.
- All appropriate permits or permit waivers from governmental agencies have been issued to the Recipient and copies have been received by the Commission Project Manager.
- All products due have been submitted and are satisfactory to the Commission Project Manager.
- Other prepayment conditions as may be required by the Commission Project Manager have been met. Such conditions will be specified in writing ahead of time, if possible.

d. Retention

It is the Commission's policy to retain 10 percent of the total Commission award. The determination on how retention is withheld is at the discretion of the Commission Program Manager. After the project is complete the Recipient must submit a completed payment request form requesting release of the retention. The Commission Project Manager will review the project file and, when satisfied that the terms of the funding Agreement have been fulfilled, will authorize release of the retention.

e. State Controller's Office

Payments are made by the State Controller's Office.

18. *Fiscal Accounting Requirements*

The Recipient shall review and comply with the administrative requirements outlined in the applicable sections of the OMB circulars and/or federal regulations incorporated as part of the funding Agreement. The OMB circulars and/or federal regulations are supplemented with the following requirements:

a. Accounting and Financial Methods

The Recipient shall establish a separate ledger account or fund for receipt and disbursement of Commission funds for each project funded by the Commission. Expenditure details must be maintained in accordance with the approved budget details using appropriate accounting practices.

b. Retention of Records

The Recipient shall retain all project records (including financial records, progress reports, and payment requests) for a minimum of three (3) years after the project has been formally concluded, or final payment received, whichever is later, unless otherwise specified in the funding Agreement.

Records for nonexpendable personal property acquired with grant funds shall be retained for three years after its final disposition.

c. Audits

Upon written request from the Commission, the Recipient shall provide detailed documentation of all expenses at any time throughout the project. In addition, the Recipient agrees to allow the Commission or any other agency of the state, upon written request, to have reasonable access to and the right of inspection of all records that pertain to the project during the term of this Agreement and for a period of three (3) years thereafter. Further, the Recipient agrees to incorporate an audit of this project within any scheduled audits, when specifically requested by the state. Recipient agrees to include a similar right to audit in any subcontract.

Recipients are strongly encouraged to conduct annual audits in accordance with the single audit concept. The Recipient should provide two copies of the independent audit report and any resulting comments and correspondence to the Commission Project Manager within 30 days of the completion of such audits.

d. Match or Cost Share (match)

If the Budget includes match, the Recipient's commitment of resources, as described in this Agreement, is a required expenditure for receipt of Commission funds. Grant funds will be released only if the required match percentages are expended. The Recipient must maintain accounting records detailing the expenditure of the match (actual cash and in-kind services) and provide complete documentation of expenditures as described under "Payment of Funds."

19. Indemnification

The Recipient agrees to indemnify, defend, and save harmless the state, its officers, agents, and employees from any and all claims and losses accruing or resulting to Recipient and to any and all contractors, subcontractors, materialmen, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Recipient in the performance of this Agreement.

20. Disputes

In the event of a dispute or grievance between Recipient and the Commission regarding this Agreement, the following two-step procedure shall be followed by both parties. Recipient shall continue with responsibilities under this Agreement during any dispute.

a. Commission Dispute Resolution

The Recipient shall first discuss the problem informally with the Commission Project Manager. If the problem cannot be resolved at this stage, the Recipient must direct the grievance together with any evidence, in writing, to the Commission Grants and Loans Officer. The grievance must state the issues in the dispute, the legal authority or other basis for the Recipient's position and the remedy sought. The Commission Grants and Loans Officer and the Program Office Manager must make a determination on the problem within ten (10) working days after receipt of the written communication from the Recipient. The Grants and Loans Officer shall respond in writing to the Recipient, indicating a decision supported by reasons. Should the Recipient disagree with the Grants and Loans Officer decision, the Recipient may appeal to the second level.

The Recipient must prepare a letter indicating why the Grants and Loans Officer's decision is unacceptable, attaching to it the Recipient's original statement of the dispute with supporting documents, along with a copy of the Grants and Loans Officer's response. This letter shall be sent to the Executive Director at the Commission within ten (10) working days from receipt of the Grants and Loans Officer's decision. The Executive Director or designee shall meet with the Recipient to review the issues raised. A written decision signed by the Executive Director or designee shall be returned to the Recipient within twenty (20) working days of receipt of the Recipient's letter. The Executive Director may exercise the option of presenting the decision to the Commission at a business meeting. Should the Recipient disagree with the Executive Director's decision, the Recipient may appeal to the Commission at a regularly scheduled business meeting. Recipient will be provided with the current procedures for placing the appeal on a Commission Business Meeting Agenda.

b. Mutual Agreement for Arbitration

Should the Commission's Dispute Resolution procedure described above fail to resolve a dispute or grievance to the satisfaction of the Recipient, either party may seek to have the dispute or grievance resolved through binding arbitration. Both parties must consent before submitting the dispute to arbitration. The arbitration proceeding shall take place in Sacramento County, California, and shall be governed by the commercial arbitration rules of the American Arbitration Association (AAA) in effect on the date the arbitration is initiated. The dispute or grievance shall be resolved by one (1) arbitrator who is an expert in the particular field of the dispute or grievance. The arbitrator shall be selected in accordance with the aforementioned commercial arbitration rules. If arbitration is mutually decided by the parties, arbitration is in lieu of any court action and the decision rendered by the arbitrator shall be final (not appealable to a court through the civil process). However, judgement may be entered upon the arbitrator's decision and is enforceable in accordance with the applicable law in any court having jurisdiction over this Agreement. The demand for arbitration shall be made no later than six (6) months after the date of the termination of this Agreement, irrespective of when the dispute or grievance arose, and irrespective of the applicable statute of limitations for a suit based on the dispute or grievance.

The cost of arbitration shall be borne by the parties as follows:

- i) The AAA's administrative fees shall be borne equally by the parties;
- ii) The expense of a stenographer shall be borne by the party requesting a stenographic record;
- iii) Witness expenses for either side shall be paid by the party producing the witness;
- iv) Each party shall bear the cost of its own travel expenses;
- v) All other expenses shall be borne equally by the parties, unless the arbitrator apportions or assesses the expenses otherwise as part of his or her award.

At the option of the parties, any or all of these arbitration costs may be deducted from any balance of Agreement funds. Both parties must agree, in writing, to utilize Agreement funds to pay for arbitration costs.

If the parties do not mutually agree to binding arbitration, the sole forum to resolve the dispute is State court.

21. *Workers' Compensation Insurance*

- a. Recipient hereby warrants that it carries Worker's Compensation Insurance for all of its employees who will be engaged in the performance of this Agreement, and agrees to furnish to the Commission Project Manager satisfactory evidence of this insurance at any time the Commission Project Manager may request.
- b. If Recipient is self-insured for worker's compensation, it hereby warrants such self-insurance is permissible under the laws of the State of California and agrees to furnish to the Commission Project Manager satisfactory evidence of this insurance at any time the Commission Project Manager may request.

22. *General Provisions*

- a. Governing Law

It is hereby understood and agreed that this Agreement shall be governed by the laws of the State of California as to interpretation and performance.

- b. Independent Capacity

The Recipient, and the agents and employees of the Recipient, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State of California.

- c. Assignment

Without the written consent of the Commission in the form of a formal written amendment, this Agreement is not assignable or transferable by Recipient either in whole or in part.

- d. Timeliness

Time is of the essence in this Agreement.

- e. Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

f. Waiver

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law.

g. Assurances

The Commission reserves the right to seek further written assurances from the Recipient and its team that the work of the project under this Agreement will be performed consistent with the terms of the Agreement.

h. Change in Business

- (1) Recipient shall promptly notify the Commission of the occurrence of each of the following:
 - (a) A change of address.
 - (b) A change in the business name or ownership.
 - (c) The existence of any litigation or other legal proceeding affecting the project.
 - (d) The occurrence of any casualty or other loss to project personnel, equipment or third parties of a type commonly covered by insurance.
 - (e) Receipt of notice of any claim or potential claim against Recipient for patent, copyright, trademark, service mark and/or trade secret infringement that could affect the Commission's rights.
- (2) Recipient shall not change or reorganize the type of business entity under which it does business except upon prior written notification to the Commission. A change of business entity or name change requires an amendment assigning or novating the Agreement to the changed entity. In the event the Commission is not satisfied that the new entity can perform as the original Recipient, the Commission may terminate this Agreement as provided in the termination paragraph.

i. Survival of Terms

It is understood and agreed that certain provisions shall survive the completion or termination date of this Agreement for any reason. The provisions include, but are not limited to:

- “Payments of Funds”
- “Equipment”
- “Change in Business”
- “Disputes”
- “Termination”
- “Audit”
- “Indemnification”
- “License”
- “Fiscal Accounting Requirements”

23. *Certifications & Compliance*

a. Federal, State & Local Laws

Recipient shall comply with all applicable federal, state and local laws, rules and regulations.

b. Nondiscrimination Statement of Compliance

During the performance of this Agreement, Recipient and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Recipient and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Recipient and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Sections 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part of it as if set forth in full. Recipient and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

c. DrugFree Workplace Certification

By signing this Agreement, the Recipient hereby certifies under penalty of perjury under the laws of the State of California that the Recipient will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

- i) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations as required by Government Code Section 8355(a).
- ii) Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
 - The dangers of drug abuse in the workplace;
 - The person's or organization's policy of maintaining a drug-free workplace;
 - Any available counseling, rehabilitation, and employee assistance programs; and
 - Penalties that may be imposed upon employees for drug abuse violations.
- iii) Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed project:
 - Will receive a copy of the company's drug-free policy statement;
 - Will agree to abide by the terms of the company's statement as a condition of employment on the project.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both, and the Recipient may be ineligible for any future state awards if the Commission determines that any of the following has occurred: (1) the Recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

d. Recycling Certification

The Recipient shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in

materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Recipient may certify that the product contains zero recycled content.

e. Child Support Compliance Act (Applicable to California Employers)

For any Agreement in excess of \$100,000, the Recipient acknowledges that:

- i) It recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- ii) To the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

f. Americans With Disabilities Act

By signing this Agreement, Recipient assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101, et seq.), which prohibits discrimination on the basis of disability, as well as applicable regulations and guidelines issued pursuant to the ADA.

g. Union Activity

By signing this Agreement, the Recipient hereby certifies that Recipient will not use grant funds for any expenses to assist, promote, or deter union organizing. Any Recipient that makes expenditures to assist, promote, or deter union organizing shall maintain records sufficient to show that state funds have not been used for those expenditures. (Government Code Section 16645.2)

EXHIBIT A
PAYMENT REQUEST FORM

FINANCIAL STATUS REPORT OR PAYMENT REQUEST

Grant
EC 211-(a) (Rev. 1/01)

Payment Request No.:

Instructions are on the reverse

Recipient Name and Address		Type of Request ____ Reimbursement ____ Status Report Only ____ Release Retention	Amount of this Request \$ _____
		Period Covered by this Request to	
Grant No.	Recipient ID No.	Approved Project Term to	Funding History Funds Requested to Date: \$ _____ Funds Received to Date: \$ _____ Expenses to Date: \$ _____ Funds on Hand: \$ _____ Interest Earned to Date: \$ _____

ENERGY COMMISSION SHARE					
Line Item	Budget	Expenses this Period	Expenses to Date	Obligations Not Yet Paid	Remaining Balance
Personnel					
Indirect Benefits					
Travel					
Equipment					
Supplies					
Contractual					
Construction					
Other					
Direct					
TOTAL					

ATCH SHARE					
Line Item	Budget	Expenses this Period	Expenses to Date	Obligations Not Yet Paid	Remaining Balance
Personnel					
Indirect Benefits					
Travel					
Equipment					
Supplies					
Contractual					
Construction					
Other					
Direct					
TOTAL					

RAND TOTAL					
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RECIPIENT CERTIFICATION		ENERGY COMMISSION USE ONLY (-NS-)	
I certify to the best of my knowledge and belief that this report is correct and complete and all claims and obligations are for the purposes set forth in the funding Agreement. No grant funds will be used to assist, promote, or deter union organizing.		Amount Authorized	
Signature of Authorized Certifying Officer	Date	Retention Yes _____ No _____	
Type or Print Name and Title	Phone	Fiscal Year	
ENERGY COMMISSION APPROVALS		Appropriation Code	
Commission Project Manager	Date	ACCOUNTING OFFICE USE ONLY	
Commission Program Manager	Date	Retention	
Grantants Office	Date	Amount Scheduled	

INSTRUCTIONS

Payment Request No.: Begin with the number 1 on your first payment request and consecutively number each subsequent payment request. The last payment request should include the notation, "Final."

Recipient (Name and Complete Address): Same as "Recipient" on the Grant Agreement. Address should include the city, state, and zip code.

Type of Request: Indicate if this is a "Reimbursement" or "Status Report Only." Be sure to provide backup documentation. If no funds are being requested, check "Status Report Only."

Amount of this Request: This line shows the amount currently being requested. Indicate the amount being requested.

Period Covered by this Report: The time period covered by this request. The first day of the period should be the day after the last day covered by your previous report. Example: 1/14/94 to 3/31/94.

Grant No.: Same as "Grant Number" on the Grant Agreement. This is the eight digit code assigned by the Energy Commission (example 961-93-000).

Recipient ID No.: This space is for an account number or other identifier that may be assigned by the Recipient (optional).

Approved Project Term: This is the entire project period beginning with the date the project starts through the end date. This date should match the "Term" on the Grant Agreement unless you have received a term extension.

Total Funds Requested to Date: Show the total of all funds requested from the Energy Commission prior to this request.

Funds Received to Date: Show the total amount of funds received from the Energy Commission prior to this request. "Funds Requested to Date" minus any retention withheld equals "Funds Received to date".

Total Expenses to Date: Show the total expenses from the beginning of the project through and including the period covered by this report. This amount should be the same as the "Grand Total" expenses to date.

Funds on Hand: This should be filled in only if you have received any advance funds from the Commission. If you have, show the balance of funds received. ("Funds Received to Date" minus "Expenses to Date" equals "Funds on Hand.")

Interest Earned to Date: Show all interest earned on previously advanced funds.

Line Items: The following budget categories apply to all expenditures invoiced.

- **Budget:** Show by line item the budget as shown in the Grant Agreement.
- **Expenses this Period:** Show by line item the actual payments made by the Recipient during the period covered by this report.
- **Expenses to Date:** Show by line item the cumulative total of all expenses from the beginning of the project through and including the period covered by this report.
- **Obligations Not Yet Paid:** Show by line item all funds obligated on purchase orders, contracts, etc. for which you have received an invoice but have not yet paid.
- **Remaining Balance:** Show by line item the funds available for expenses or obligations. "Budget" minus "Expenses to Date" minus "Obligations Not Yet Paid" equals "Remaining Balance."

Certification: Name, title and signature of authorized certifying official (usually the grant Recipient's project manager).

Submit original and one copy to:

California Energy Commission
Accounting Office
1516 Ninth Street, MS # 2
Sacramento, CA 95814

Attachment 5

Summary of Allowable Travel and Per Diem Expenses

Recipients shall be reimbursed for travel and per diem on the same basis as nonrepresented State employees. The rates listed below will be in effect for the term of this Agreement, unless and until the State's per diem reimbursement rates for nonrepresented employees are revised. Travel expenses not listed in this section cannot be reimbursed.

Travel that has not been budgeted in the Budget shall require prior written authorization from the Commission Project Manager. Travel shall be paid from the Recipient's office location where the employees assigned responsibilities for this agreement are permanently assigned.

Recipient must document and prepare travel expense claims as follows:

- Recipient's invoice must detail expenses using the rates listed below.
- Expenses must be listed by trip including dates and times of departure and return, in order to establish appropriate per diem rates (employee's travel claim may be attached instead).
- Attach required receipts for travel expenses claimed (receipts are not required for meals or incidentals within allowable rates, but you must retain all meal receipts for audit by the State or IRS).

Transportation Rates

- 1) Common carrier, airline coach class or equivalent are reimbursable in accordance with receipts or vouchers attached to Recipient's invoice verifying expenditure.
- 2) Private or Recipient-owned automobile mileage is reimbursable up to 34 cents per mile. However, if travel by common carrier is more economical than by automobile, the rate for the common carrier will be reimbursed.
- 3) Rental car receipts must be attached to Recipient's travel expense claim. However, if taxi service is less expensive than a rental car the rate for taxi will be reimbursed. **NOTE: Insurance coverage is not reimbursable.**
- 4) Parking fees, taxi fees, tolls and public transit fees may be reimbursed up to \$10.00 without receipt.

In-State Travel Per Diem Rates

- 1) Apply to travel **more than 50 miles** away from Recipient's headquarters,

2) Per diem is reimbursable as follows:

- a) **Less than 24 hour trip**, Recipient shall be reimbursed for meals and lodging according to the following rates:

Breakfast: Up to \$ 6.00, if began at or prior to 6 a.m. and terminated at or after 9 a.m.
Lunch: Not reimbursed on trip of less than 24 hours
Dinner: Up to \$18.00, if began at or prior to 4 p.m. and terminated at or after 7 p.m.
Incidentals: Not reimbursed on trip of less than 24 hours

- b) **More than 24 hours**, Recipient will be reimbursed for each 24 hour period for meals, lodging and incidentals according to the following rates:

Breakfast: Up to \$ 6.00 if trip began at or before 6 am.
Lunch: Up to \$ 10.00 if trip began at or before 11am.
Dinner: Up to \$18.00 if trip began at or before 5 pm.
Incidentals: Up to \$6.00

- c) Time Frame for fractional day after 24 hours of travel:

Breakfast: If trip ends at or after 8 a.m.
Lunch: If trip ends at or after 2 p.m.
Dinner: If trip ends at or after 7 p.m.

2) Lodging (Receipt Required)

- a) Statewide, except in b) and c) below, actual receipted lodging up to \$84.00 per night plus tax.
- b) When required to obtain lodging in the counties of Los Angeles and San Diego, reimbursement will be for actual receipted lodging to a maximum of \$110.00 per night plus tax.
- c) When required to obtain lodging in the counties of Alameda, San Francisco, San Mateo and Santa Clara, reimbursement will be for actual receipted lodging to a maximum of \$140.00 per night plus tax.

Out-of-State Travel Per Diem Rates

Meals/Incidentals: Same as in-state rates

Lodging: Actual expense with receipt (subject to Commission Project Manager approval).

Out-of-Country Travel Per Diem Rates

Meals/Incidentals: Actual expense in accordance with foreign travel rates published by U.S. Government.

Lodging: Actual expense with receipt (subject to Commission Project Manager approval).

Attachment 6

California Energy Commission Loan Programs

SECURITY CHECKLIST

In addition to your signed Loan Agreement and Promissory Note, you must submit additional documents to secure the total value of your loan. This list outlines the minimum requirements for some of the most common items that can be used to secure your loan. All terms and requirements are subject to change without notice. The Energy Commission reserves the right to accept, modify, or reject the security offered. In addition to the specific requirements for each type of security listed in Section A below, you will be required to sign a Security Agreement (included as part of your loan package), which will list the items you are providing as security for your loan. See Section B for Security Agreement and Loan Guaranty requirements.

NOTE: NO LOAN FUNDS WILL BE DISBURSED UNTIL ALL REQUIRED SECURITY DOCUMENTS ARE COMPLETED, SIGNED, AND RETURNED TO, AND APPROVED BY, THE CALIFORNIA ENERGY COMMISSION.

A. REQUIREMENTS FOR SPECIFIC TYPES OF SECURITY

1. Equipment Purchased with Commission Loan Funds

Equipment will be discounted by 50 percent of book value. A UCC form (Uniform Commercial Code Financing Statement) will be completed and filed by the Energy Commission with the Secretary of State's office.

IF THE EQUIPMENT IS NOT PURCHASED WITH COMMISSION LOAN FUNDS, ALSO PROVIDE:

- ☐ A complete description of the equipment to be pledged, including model and serial numbers.
- ☐ Certificates of title, paid-in-full invoices, and other information to prove ownership.
- ☐ List of other creditors with security interest in the equipment, what position they hold, and amount of their secured interest.
- ☐ Statement of account balance from each creditor holding a security interest.
- ☐ Appraisal of equipment. The Commission must approve appraiser and method(s) of appraisal.

2. Certificate of Deposit

- ☐ Provide the certificate signed by a bank representative. The Certificate of Deposit must:
- a. Be issued in the name of the Borrower AND State of California, California Energy Commission, with all earnings reported under the Borrower's taxpayer identification number.
 - b. Be negotiable by Commission signature alone.
 - c. Have a maturity date equal to or greater than the repayment term of the loan.
 - d. Be issued by an institution, which is a member of the FDIC or NCUA.
 - e. Be equal to or less than \$ 1 00,000, not exceeding FDIC or NCUA limits.
 - f. Include the following:
 - Name of joint owners.
 - Name of bank.
 - Branch location and address.
 - Account number.
 - Term of the account.

3. Deed of Trust

Real estate equity offered as security will be discounted by 25 percent of appraised value. The Energy Commission will require:

- ☐ Appraisal of property. The written appraisal must include the comparative sales approach, income approach, and cost approach of evaluation.
- ☐ List of lien holders and amounts of liens.

If the Commission's Grants and Loans Office determines there may be sufficient equity to secure the loan, you, will be directed to contact a title company to open escrow. If necessary, have the title company contact the Commission's Grants and Loans Office. The Commission will require:

- ☐ Preliminary Report.
- ☐ Copies of trust deeds and notes and statements of balance from lien holders. Statements of balance from lien holders should state whether the trust deed/note is open or closed to future advances and whether future advances are obligatory or optional.
- ☐ Note and Deed of Trust with Assignment of Rents with State of California, California Energy Commission, as beneficiary. Contact the Commission's Grants and Loans Office to obtain the Note and have the title company prepare the Deed of Trust for Commission review.
- ☐ Policy of Title Insurance (ALTA policy) equal to the value of the note.

4. Letter of Credit

- ☐ Original Letter of Credit from your bank. Have your bank contact the Commission's Grants and Loans Office to negotiate Letter of Credit terms.

5. Other

Contact the Commission's Grants and Loans Office at (916) 654-4381.

B. SECURITY AGREEMENT AND LOAN GUARANTY REQUIREMENTS

Please refer to the applicable following section(s). The Energy Commission will provide the appropriate documents for your signature.

1. Borrower (Individual, Partnership, or Corporation) Securing Loan with Borrower's Property

- ☐ Security Agreement. Lists Borrower's property offered as security at the appropriate discounted value. For partnerships, all general partners must sign; for corporations, the president or authorized designee must sign. Provide other documents as listed in Section A.

2. Borrower (Individual- Partnership2. Corporation) Securing Loan with Third Party's Property (for example, a corporation securing with individual's personal property, an individual securing with a relative's property)

- ☐ Loan Guaranty (signed by Third Party). Signatures on guarantees must be notarized.
- ☐ Security Agreement (signed by Third Party). Lists Third Party's property offered as security at the appropriate discounted value. Provide other documents as listed in Section A.

3. Corporation/Partnerships

In addition to the above, the Borrower must provide the following:

- ☐ Articles of Incorporation or Partnership Agreement.
- ☐ Personal Loan Guaranty signed by each owner of the corporation or each general partner and his/her spouse. Signatures on guarantees must be notarized.